Which way next for the dollar, Page 14

NEWS SUMMARY

GENERAL

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Soviets reject Chinese

The new Soviet leadership has re-jected Chinese pleas for ending the deadlock in relations between the werld's two foremost Communist

owers. Soviet leader Konstantin Chernenko has said that Moscow can make no agreement with China to BELGIAN FRANC lost ground the prejudice of the interests of within the European Monetary System countries

His statement is an indication

that Chinese demands on Kampu-chea. Afghanistan, and border triops, including those in Mongolia, will still not be accepted, and that sultations, which start next Monday in Moscow, can make only superficial progress. Page 16

Ustinov in India

Soviet Defence Minister and Politburo heavyweight Marshal Dimitri Ustinov today starts his delayed visit to India, which Western diplomats believe is intended to strengthen military and naval links.

Mitterrand's visit

French President François Mitterrand pays another visit to London today in his effort in help break the deadlines over 1250 finance.

French school protest

The Archbishop of Paris, Cardinal tinued to give support through di-Jean Maria Anthony led a mass rect intervention, and also the rais-protest along the Archive de Paris ing of some short-term interest in Versanies against the French rates.

However the franc remained close to its lowest permitted level against the D-Mark, and close to its porters soil 600 500 parents and sup-porters soil 600 500 parents and sup-

and butter mountains in the campalgo for this summer's European Parhament elections. Page 3

Call for prosecution

Israeli Government hardiners are calling for the prosecution of moderate West Bank leaders who met ARGENTINE Government is con-Palestine Liberation Organisation leader Yassir Arafut, Page 2

Basque murdered

French police found the body of a Basine exile who had been beaten to death on a leuris court at Pau. near the Spanish border.

New South Wales poll

will be allegations of corruption in the state of Labor Party government, the punicary and the police. Aus-batton Prime Minister Bob Hawke a given indication that there might e an early national election. Page 2

Yola toll 'near 1,000'

Government owned New Nigerian newspaper said that up to 1,000 peo-ple had been killed in a week of religious violence in the north east city of Yole, where fighting was still rag-ing. Transp. moved in on Friday against Mastern fundamentalists said to be using sophisticated

Plumming the depths

British fruit scientists are trying to propagate trees, using tissue cul-ture techniques, from well pre-served plums found in the wreck of the raised warship Mary Rose, which is more than 400 years old.

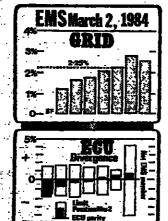
Highest pole vault

French pole vaulter Thierry Vigneron jumped a world's highest 5.85m (just over 15 ft 11%in) in the European indoor athletics championships in Gothenburg, but it cannot count as a world record because it hydroelectric project in Java.

BUSINESS

UK banks set aside £1bn for approach bad debts

UK BANKS: The four higgest, Bar-clays, National Westminster, Midland and Lloyds, will probably have to set aside more than £1bn (\$1.49bn) to cover bad debts, at home and abroad, in 1983. Page 9



PRESIDENT HAFEZ Assad of Syria yesterday agreed with Lebanese opposition leaders Mr Nabih Berri and Mr Walid Jumblatt a constu-

reflecting switching out of that currency in case of any possible week-The Belgian National Bank con-

GFCS/15 Pinesters:

The chart shows the two constraints on European Monetary System exchange party, adopted a radical plation the weakest currency in the system. which no currency (except the lira) may move more than 24 per cent The lower chart gives each curren-cy's divergence from its "central rate" against the European Curren-cy Unit (ECU), itself a basket of Eu-

> sidering setting up a consultative body involving management and labour to help to secure the broadest. support for its economic policies.

CHIEF EXECUTIVES in the U.S.

are the highest paid in the world, but Swiss and West German companies pay their top level managers more, according to a survey. Page 3

New South Wales Premier Neville OCCIDENTAL PETROLEUM, is Wally salled a snap election for paying \$333m to back some pre-

en its balance sheet. Page 18 UK PHARMACEUTICALS prochicers estimate that they are losing £100m (\$149m) a year in home sales

to companies that buy cheaply in Europe and re-import. Page 9 BRITISH Government is expected

to cut its grants to help to promote high-technology industries. Page 8 SHORT BROS, the Belfast aircraft maker, is likely to be helped back towards private ownership by the. U.S. Government's £115m order for

BRAZIL is expected to resume negotiations in Washington this week to try to reach agreement on a vo-luntary reduction of its steel ex-

CABLE BELT, UK mining equipment company, is to build an overland conveyor system to take 2m tonnes of potash a year from the Dead Sea to the railhead near Nimona, Israel, in a contract worth about \$20m. Page 4

INDONESIA: How an Anglo-Swedish consortium, including Balfour Beatty, succeeded in reviving a cancelled multi-million pound

ATTACK MAY HAVE 'OMINOUS' SIGNIFICANCE FOR OIL SUPPLIES

Gulf tensions rise after Iraqi missile hits cargo ship

BY OUR FOREIGN STAFF

to Iran has been hit by an Iraqi mis- said. sile near the port of Bushehr, it was confirmed at the weekend by the ship's owners in Bombay.

(320 km) from the nearest Iraqi ter-ritory. Bushehr is to the south-east of Kharg Island, the main Iranian erminal through which 90 per cent

Apeejay Lines, the owner, was quoted by Reuters as saying that the 16,000 dwt APJ Ambika had been hit as it sailed under Iranian naval escort from Bushehr last Thursday. All 35 crew appeared to have been in the vicinity of Bandar

BY NORA BOUSTANY IN BEIRUT

al movement, said: This agreement Druze Progressive Party, has still

provides for the declaration of an not indicated whether he would

dent, Amin Gemayel, and the Leba-nese Cabinet without the need for acts" against the Lebanese popula-

abrogation by the parliament.

The proposed agreement would However before leaving Damasbe conveyed to President Gemayel cas for Beirut, Mr Salem said that
by Mr Salem and Mr Jean Obeid,
tebanese national reconciliation
Mr Gemayel's special envoy to
Damascus, Mr Berri said. The two

It was still unclear last night Thursday or Friday.

whether the formula agreed with The talks, aimed at giving Leba

the Lebanese opposition leaders non's Moslem and other minority had been cleared by Mr Gemayel communities a bigger say in the

ter the flurry of meetings in the late last year.

Syrian capital, was that President

Mr Suleiman Franjieh, a former

Assad had succeeded in softening Lebanese president and a Christian

tional mechanism for cancelling

Lebanon's troop withdrawal agree-

After a day of talks in Damascus

with Mr Assad and Mr Elie Salem, Lebanese Foreign Minister, Mr

Berri, head of the Moslem Shia Am-

abrogation by the Lebanese Presi-

whether the formula agreed with

during his talks with President As-

What was evident yesterday, at-

the rigid stands of the Lebanese op-

Mr Berri said he was ready to

ioin in national reconciliation talks

position leaders.

abrogation by the parliament."

ment with Israel.

Hajoteslam Hashemi Rafsanjani, Speaker of the Iranian Parliament, said yesterday that Iran had no The attack was of potentially ominous significance for oil supplies as it has previously threatened to because of the range at which it do, but was keeping such a measure as a "final weapon" against the Iraqui termination of the south-east Hussein. He claimed that a recent attack on Kharg Island had

> The attack on the Indian vessel was believed to be the first time Iraq had managed to hit a ship in this area - suggesting that it has the capability to interfere with oil traffic. Other confirmed strikes

with Mr Gemavel as soon as the

Lebanese president repealed the ac-

cord with Israel This agreement,

reached on May 17 last year, pro-

vided for the withdrawal of foreign forces from Lebanon.

The Israelis have withdrawn to

the Awali river but continue to con-

trol south Lebanon. The Syrians

continue to control the North-east.

drop his demand for Mr Gemavel's

the talks were likely to

communities a bigger say in the

running of the country compared with the current political domi-

nance of the Christians, broke down

leader, told reporters at the week-

end that an important announce

Continued on Page 16

Mr Jumblatt, leader of the mainly

AN INDIAN cargo vessel on charter have been rescued, the company Khomeini, only about 80 miles from Basrah.

Iraq's naval commander, Commodore Abed Mohammed Abdullah. according to previous dispatches was quoted by the official news agency in Badhdad as saying Iran's ports would be kept under an effective blockade by naval and air forces. He claimed that the Iraqi Navy could "reach any ship" which did not comply with earlier warnings to avoid the war zone at the northern

end of the Gulf.
Shipping companies "must realise this truth without venturing any more into trade with Iran because all they will reap will be definite losses." the commander said. The conflict has been further inflamed by Iran's anger at what it

clearly believes to be the use of chemical weapons by Iraq.

In London the British Foreign Office rejected Tehran's charges that the UK had been supplying chemi-cal weapons to Baghdad as well as aircraft and tanks, as Iran has alleged.
Patrick Blum writes from Vien-

na: Doctors said they were puzzled by the injuries to 10 wounded Iranians flown to Vienna last Friday. The symptoms could well be the result of some sort of gas or chemical weapons but we do not know for sure yet," one said.

Symptoms include peeling skin, respiratory difficulties, loss of blood and alterations in blood cells. Information is being sought from ex-perts and laboratories abroad in an

attempt to identify the exact cause of the injuries.

Kevin Done adds from Stock-holm: Swedish doctors treating five Iranjans said their injuries could have been caused by chemical weapons. They arrived on Saturday suffering from severe burns.

• M Charles Hernu, French De

fence Minister, arrived in Kuwait yesterday for talks expected to be dominated by military co-operation, the Lebanese problem and the Iran-Iraq war, Reuters reported. Kuwait, the closest Gulf Arab

country to the frontlines of the 41month old Gulf war, has recently been seeking to increase its defence

Gulf shipping rates improve, Page 4

Gulf Oil Syrian pact and Arco with Shia explore bid terms and Druze

return for a friendly takeover by

would create a massive new world oil company with combined annual revenues of \$54.8bn, net income of \$2.5bn, and worldwide oil and natural gas liquids production of around 1.3m barrels a day

For the last six months, Gulf, one of the famous "seven sisters" which once dominated the world oil industry, has been fighting to remain independent as a group of sharehold-ers led by Mr Pickens have focused attention on the group's poor financial performance and disappointing

As the behind the scenes battle for control of Gulf has mounted, Gulf's share price has risen from

credits, Page 17

By William Hall in New York THE BOARD of Gulf Oil Corporation, the fifth biggest U.S. oil com-pany, is expected to hold an emergency board meeting in Pittsburgh today to discuss what Wall Street analysts believe is the biggest cor-porate takeover offer in U.S. histo-

The meeting follows mounting speculation that Gulf, which has been trying to fight off a dissident shareholder group led by Mr T. Boone Pickens of Texas, is preparing to concede its independence in the Los Angeles-based Atlantic

Richfield Company (Arco).

A combination of Gulf and Arco

oil exploration results.

Continued on Page 16 wide earnings. World oil consumption set to rise, Page 3; International

Occidental buys back shares, Page 18

Florida may drop unitary tax scheme

BY NANCY DUNNE IN WEST PALM BEACH

FLORIDA, the U.S. state which ent methods of raising revenue recommended unanimously that it be dropped.

The panel defied a plea from Mr Bob Graham, the governor, for a delay to allow a commission appointed by President Ronald Reagan to make its report. The panel's recommendation will now be considered by the state legislature in April. President Reagan's commission

was set up in response to strong pressure from Western Europe and Japan to abolish the tax, which they feel unfairly penalises multinational companies: Twelve U.S. states impose the tax, the most important

of which is California Florida's decision however, will be closely watched by UK compa-nies, which account for 40 per cent of the state's foreign investment. Vir Robert Lanzillotti, chairman of the panel and dean of the Uni-

versity of Florida's graduate school of business administration, said the panel had based its recommendations on the damage the tax has done to the state's business image. Under unitary tax legislation, corporations are taxed on their world-

"We were, in the panel's view, putting at risk an enormous amount of capital investment," Mr Lanzillotti said.

The group recommended differ-

most recently introduced unitary such as lifting an exemption from taxation, may be the next to abandon it. A panel appointed by the state governor to study the tax has fees paid for filing company refees paid for filing company re-ports. Mr Lanzillotti suggested that the panel's report would receive strong support from the state's business community.

hundreds of letters from enraged corporations about unitary tax. IBM recently sold land it owned in the state on which it had intended to expand operations. It also disposed of land in Nebraska, a state which is considering introducing unitary taxation.

Florida is traditionally an agricultural and tourism state, but has aggressively pursued a strategy of diversification over the last five years seven metres in diameter, bored in which international trade has about 40 metres under the seabed. played a leading role.
Officials have attempted to con-

larters in the state, where they could be near plants using lowcost labour in Latin America.

The unitary tax law, passed with little advance warning last summer to finance the state's new education programme, has overturned those plans. Multinational and foreign businesses have threatened to curtail activities in the state or even to move out.

Only neighbouring Georgia, which has sought to lure away disenchanted Florida business, has benefited from the move.

UK groups unite in channel tunnel campaign

FIVE leading UK construction companies have joined forces to cam-paign for a twin single-track railway tunnel under the English Channel with roll-on, roll-off facilities for vehicles.

Balfour Beatty, Costain, Tarmac, Taylor Woodrow and Wimpey were previously divided into separate groups (Costain with French inter-ests), but they have now united to form the Channel Tunnel Group (CTG), which aims to put stronger pressure on the British Govern-ment to approve what the construction industry regards as a vital pro-

The start-up cost is put at £1.9bn (\$2.8bn) - at 1983 prices - but actual expenditure could amount to £4bn to £5bn. The group would not necessarily bid collectively for the UK half of the work, which is likely to be put out on a selected tender ba-

The British and French governments are awaiting finalisation of a study on the financing and ownership of the project, which is being undertaken by the Midland Bank, the National Westminster Bank, Banque Indosuez, Banque National de Paris and Credit Lyonnais. It is expected to be completed by the end of this month

In 1980, the British Government said that the UK involvement would have to be financed by the private sector. It will not offer any state

guarantee or public funds. At the weekend, a spokesman for CTG said that "it represents a noteable first in the construction industry for five companies of this stature to act as one in support of a specific project." They have a combined turnover of about £4.3bn.

It is estimated that the construction period for the proposed project would be six years. It involves two tunnels, each

It is planned that trains would operate at five-minute intervals with a vince corporations to locate their capacity to carry 3,600 cars an hour in either direction. Journey time for the ferry trains

has been calculated at 25 minutes. Rail passengers from London would be able to reach Paris in four and a half hours. CTG is campaigning for the more

modest of two proposals made for linking the UK and France. The EuroRoute proposed by Mr Ian McGregor - now the chairman of Britain's National Coal Board when he was the British Steel Corporation's chief, would cost about twice as much.

Martens seeks new austerity measures

BY OUR BRUSSELS STAFF

MR WILFRIED Martens, Belgium's wings of both the majority Chris-Prime Minister, called his senior tian Democrats and the Liberals weekend to work out a new austeri-ty programme designed to trim the government's financial deficit of This implies that if the parties BFr 507bn (\$9.62bn) by BFr 200bn

omies which can be enacted by the use of the Government's special Sherpa transport aircraft. Page 8

net, probably today.

Early settlement of the principles. ports to the U.S. Page 4 vealed that the coalition had only restricted room for manoeuvre:

> creases in company texation; © Economies have to leave room language disputes, especially on the for a growth in employment – 14.7 per cent of the working population is jobless; language disputes, especially on the linguistic border, which effectively divides Belgium in two.
>
> Settlement of the budgetary and The poorest have to be protected

ministers into secret session at the agreed however, that the austerity

hold together over the details of the over the next three years.

The aim of the two-day negotiation was to create a series of economies which can be anaded by the conomies whe But the Liberals have been press-ing unwilling Christian Democrats powers before they expire at the to accept economies solely on the end of the month. The powers enside of expenditure, leaving the exable the Government to act by desisting tax structure alone. It has

cree on economic matters. seemed clear, however, that the The results of the talks will be coalition will not be able to hold the presented to the full Belgian Cahi- deficit down - it needs nearly 12 per cent of Belgium's Gross National Product (GNP) to finance - without to be adopted on the economies re- raising social security contributions and selectively trimming benefits. To hold the coalition together, the Corporate competitiveness must parties may also be forced to agree not be affected, implying no in- a truce on Flanders-Wallonia communal rivalry, as it is manifest in

communal questions are seen in by the social security system and Brussels as essential to stabilise sacrifices must be evenly spread. the Belgian franc on the exchanges The ministers of four parties - and act as a trigger to new private-the Flemish and French-speaking sector investment.

Protest on Japanese typewriters

By Alan Friedman in Milan and

EUROPE'S major typewriter manu facturers have filed an application before the European Commission to stop "unfair dumping practices" by several Japanese producers of electronic typewriters.

Olivetti, the leading office auto mation group, said on Friday that the Committee of European Type-writer Manufacturers (Cetma) had filed an application for the initiation of a proceeding against Japa-nese producers who had violated the General Agreement on Tariffs and Trade (Gatt) rules.

The committee includes compa nies such as Olivetti, Olympia, Triumph-Adler and Ericsson.

Although Olivetti provided no specific allegations of dumping practices, it said that "by building up high production capacity and by price under-cutting, at present approximately 10 Japanese producers are trying to gain a dominant position in the European electronic typewriter market."

Olivetti said at the weekend that while the European industry wel-Continued on Page 16

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European office in Frankfurt. All this and a refreshingly candid approach to doing business, isn't it about time you gave ANZ a closer look?



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Foreign Affairs: Kissinger's Lex: wanderlust of the UK Hong Kong: a return to Construction:

The dollar: what happens Editorial comment: Brazil; Technology: standards in Lombard: a question of domestic borrowing 18 Survey Section III

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The Territorials

OVERSEAS NEWS

Call to prosecute West Bank leaders who met Arafat

ARDLINERS in the Israeli Freif, Bethlehem's Mayor, met HARDLINERS in the Israeli Freij, Bethlehem's Mayor, met Government want to prosecute a Mr Arafat in Amman last week, delegation of moderate West Some of them said they had Bank leaders who met Mr Yasir Arafat, the Palestine Liberation organisation (PLO) chairman, to voice their support for peace negotiations between The Israeli Government itself peace negotiation Jordan and Israel.

a move would trigger interna-tional uproar, is reported to be resisting the pressure but has yet to make a public statement. yet to make a public statement.
The issue's sensitivity was
shown yesterday when the
Cabinet discussed the matter.
To assure there were no leaks,
it convened as the Ministerial
Defence Committee, whose
deliberations are barred by law

rom publication.
A Cabinet statement asserted the delegation had violated military law in the Israeli-occupied West Bank, which pro-scribes contact with the PLO. "Instructions were issued in accordance with government policy," It added, but did not disclose what these were. The delegation of 38 moder-tes, among them Mr Elias

(a mi

peace negotiations between Jordan and Israel.

Mr Yithak Shamir, Israel's king to begin a peace dialogue, king to begin a peace dialogue.

Mr Ariel Sharon, Minister Without Portfolio, who is increasingly critical of Mr

The Cabinet also discussed the Lebanon situation, but no Sidon yesterday, the army said.
It also announced that last Friday. Israeli soldiers shot dead two motorists south of Sidon. The army said the two men tried to flee after ignoring a warning to identify them selves.

Up to 1,000' killed in Nigeria violence

LAGOS—Up to 1,000 people have died in a week of religious violence in the north-eastern Nigerian city of Yolz, where fighting is still raging, the government-owned New Nigerian newspaper said

Hospital officials gave a figure of 250. A government official said on Wednesday that 137 people died in the disturbances, which began last Monday.

500 bodies had been removed from the Yola hospital for mass burial. The News Agency of Nigeria said 100 grave on Tuesday to quell fighting by Mosten fundamentalists who had

regrouped and were using The religious violence, the country's third eutbreak in just over three years, was started by followers of the Moslem fundamentalist

leader, Muhammadu Marwa Maitatsine, police said. He was killed in rioting in the northern city of Rano three years ago. An official report said more than 4,000 people died in these riots, which were suppressed

streets of Yols were littered with bodies of suspected Moslem fanatics lynched by mobs. Many people had been killed in cross-fire when they emerged from the rioters'

enclave. Hundreds of men, women and children who fied their homes were camped in refugee sheds in police and army barracks as well as an open field in one of the city's districts, the newspaper

Snap election called in New South Wales

By Michael Tho in Sydney

ER NEVILLE WRAN, Labor election for March 24. in which New South Wales government,

At the same time, Mr Bob Hawke, the Australian Prime Minister, gave the strongest possible hint that he would call an early general election, probably

The Hawke government in Canberra has ruled for exactly one year. In New South Wales, Mr Wran—who is president of the Australian Labor Party claims that the state govern-ment has been "hounded" by an orchestrated opposition and Despite the allegati Labor has a strong lead in polls, and should withstand: challenge of the Liberal an National parties, which woul need to win 22 seats in the 39-

Labor. Mr Nick Greiner, leader of the state Liberal Party, said Mr. Wran was pushing a "panic button" by calling an election months early weeks, the Liberals have pro-

Of the prospect of an early general election, Mr Hawke said yesterday that a half-Senate election must be held by May 1985, and that it made sense to hold a House of Representatives election at the same time, as had happened 22 times in the

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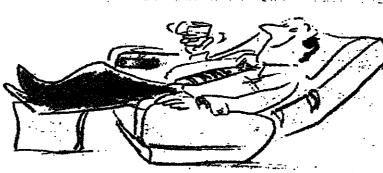
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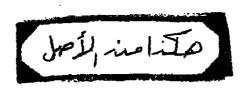
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binet also discussion situation, but a ps were disclosed strackly soldiers were synthese explosions a Lebanese Port a Lebanese Port a series soldiers were strackly the army situation of the army said the motorists south a series after ignore to fiee after ignore g to identify the

 election d in New h Wales ILLE WRAN, Lin New South Water Called a SD2p ag

March 24 m vie sue will be allegan pread corruptes : h Wales governmen and police. same time. Ur ki he Australian Pre gave the stronger pe eral election, press

Juke covernment: has ruled for each In New South We —who is presiden: raison Labor Pare at the state gre been "bounded" trated opposition a Realing alleging of srup! on. ; a strong lead in l

Should withstand of the Liberal & parties, which we 171 22 seats in 198 paritiment to me Greiner, leader af pu-luag 2 🞏 by calling an elem

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ection Mr Hawler that a half-sen must be held by B that it made seast

OVERSEAS NEWS

Half a million march as protest grows over French schools

BY PAUL BETTS IN PARIS

MORE THAN half a million . parents priests and political leaders of the right marched down the imposing Asente de Paris leading to the palace of Versailles vesterday in protest against the left-wing Government's plans to integrate private and public education.

vate and public education.

The marer was the climax to a series of demonstrations in the past week in support of private education in France. Parents opposed to the Government's plans to integrate catholic schools in the state system launched their protest in Bordeaux with a mass march. in Bordeaux with a mass march; then they moved to Lyon and Rennes and to the surprise and shock of the left, more than 200,000 demonstrated in Lille, the political fier of M Pierre Mauroy, the Socialist Prime Minister.

The organisers claimed more than 600,000 people at yester-day's protest. For many it was probably their first time demonstration and perhaps the last. One banner reminded President Mitterrand that he had been a private school pupil.

Faced with the growing protest against their plans, the Socialists, through their party secretary. M Lionei Jospin, have indicated that the Govern-

President Mitterrand flies to Britain today for talks with Mrs Thatcher aimed at breaking the deadlock over the EEC budget, Our Paris Staff writes. His visit follows a series of talks with other EEC leaders to work out a compromise. France says that progress has been made on some lem of Britain's budgetary contribution remains unsolved. M Mitterrand wants to resolve the crisis before the summit of community leaders in Brussels at the end of this

But in spite of increasingly conciliatory noises from the Government in recent weeks. the supporters of the private system suspect that the left (especially the militants of the largely pro-Socialist teachers' union) is seking to integrate the private schools in a back-

door manner.
Among their objections is the proposal to absorb private school teachers in state service by giving them the status of public employees. The Archbishop of Paris led

have indicated that the Government would adopt a flexible approach to the explosive problem. The feeling is that the Left is gradually backing down from its electoral promise of three years are of creating a families for the right to choose matted lay public school how to educate their children.

Alp passes to be watched

BY JAMES BUXTON IN ROME

Austria are to set up a joint to speed up border crossings by commission to monitor the road and rail, now that Italy problems of border crossings at has decided on measures to the Alpine passes.

The decision followed a meeting in Rome at the weekend between Sig Claudib Signorile, the Italian Transport Minister, and Herr Werner Pollinger, his West German counterpart, who was supported by his colleague from the regional government of Bayaria.

ITALY, West Germany and the commission which will aim make customs procedures a little less burdensome.

Other countries, such as France and Switzerland, could be asked to join the commission later.

Sig Signorile is to meet his French and Austrian opposite numbers this week. On March 22 EEC transport ministers The Adstrian Government agreeing further reductions in said later it wants lake part in European customs procedures.

Argentina considers 'social contract'

ARGENTINA'S Radical Government is considering setting up a permanent consultative body involving both sides of industry, in a move aimed at securing the broadest support possible for its economic policies, Jimmy Burns reports from Buenos Aires.

In a letter to leaders of the main trades union organisa-tions, the General Confedera-tion of Labour (CGT). Presi-dent Raul Alfonsin alluded to what could eventually become a formal "social contract" to help the Government imple-

ment a more effective prices and incomes policy.

The initiative coincides with signs of a combination of uncontrolled price rises and mounting pressure for substantial traces incorrect under wage increases, under ag the Government's attempt to reduce the country's 433 per cent inflation to two digit figures by the end of the

Nicaragua warning

SR TOMAS BORGE, Nicaragua's Interior Minister, warned over the weekend that U.S.-backed counter-revolutionary groups will step up their attacks against economic targets in the country in the coming weeks, Tim Coone reports from

Canada leadership

successor to Mr Pierre Trudeau, Canada's Prime Minis-ter, is to be chosen at a Liberal Party leadership convention to be held in Ottawa from June 14 to 17, Nicholas Hirst reports from Toronte.

The party's national executive carner in the week to step down as soon as a new leader was chosen.

Lury MPS to surrender their fully piloted the party into an seats to someone else half-way alliance with the Social Democrats in the state of Wooden and splintered Greens parliachose the date and place for the convention late on Saturday,

Marc Rich case move

A U.S. federal judge has thrown out a defence request for a wide-ranging "gag" order which would have restricted information about the pending trial involving the Swiss-based Marc Rich commodity group, on-charges including alleged evasion of \$48m (£34m) in U.S. taxes, Paul Taylor reports from

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BMW, except the tax.

Swedes to focus on research

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

and development despite cutbacks 9.2bn. in other parts of state expenditure The national research effort.

Research and development is to be exempted from the general government order to state departments to cut spending by 2 per cent across

next three years in new resources, over and above protecting existing

development in Sweden is expected dustrial involvement in state ry technology, chemicals and medito be around SKr 18bn in the funded R&D could turn universities cal technology.

lieved that the emphasis placed

on financial indicators in in-

thinking. At the same time.

however, individual executives

BY RUPERT CORNWELL IN BONN

the European election campaign

this summer, which condemned a Europe "of bureaucrats,

But a special two-day national

a Europe of bureaucrate bombs and butter mountains,"

party yesterday overwhelmingly in Bonn, backed a radical platform for The p

BY OUR NEW YORK CORRESPONDENT

dustry forces companies to which U.S. corporations focus too closely on short-term measure their performance. The

however, individual executives claim overwhelmingly that they themselves achieve a correct balance between the short and troversy in the U.S. On the dama question of whether Japanese as to industry is gaining a technoof one placed by taking a longer one placed by taking a lon

THE SWEDISH Government is in- 1983-84 fiscal year, of which the and research institutions into concreasing its spending on research state will account for some SKr sultants for industry.

and is setting new priorities for the around 2.5 per cent of gross nation- butions to the renewal of Swedish search spending rivalled only by a handful of industrialised countries. The increased state spending is basic research, and Mr Ingvar

He has rejected warnings, from expenditure against inflation. some parts of the Swedish research
Total spending on research and establishment, that increasing in-

Companies 'focus on short term'

study follows extensive con-troversy in the U.S. on the

most important decision taken

sponsored economic analysis the media for the e organisation, on the way in short-term analysis.

Friedrich Wilhelm Graefe, a over adopting a similar rule for

41-year-old independent to head Green national MPs-a split

Strasbourg parliament. But the of the party's divisions.

We have high hopes for the real product (GNP), a level of re-industry and to stimulate the Swedish economy," said Mr Carlsson. Four areas have been given prior-

technology, biotechnology and en-In addition, an extra SKr 150m Carlsson, Deputy Prime Minister, is vironment protection.

(\$19.3m) a year is to be pumped into to begin talks soon with industry to Research funds Research funds channelled

SKr 2.1bn over the next three years involvement in basic research. - will be devoted the these areas plus engineering and production technology, pulp, paper and forest-

As a relatively small country - it accounts for 1 to 2 per cent of total world R&D spending - Sweden is The total R&D effort amounts to search institutions, possible contri- also taking steps to improve its access to the international exchange of research knowledge.

Increased resources are to be provided to the technical and scientific ity for the state research effort in attaches at Swedish embassies being directed in particular towards formation technology, materials around the world. In addition, an urgent study is to be made of ways to give foreign researchers favourable income tax treatment in order the state research effort over the try to increase the private sector's through the Industry Department to attract more foreign experts

that the country's income tax rates, the highest in the world, have been a major obstacle for Swedish companies trying to attract top-flight re-search and development workers.

U.S. chief executives

'highest paid'

ABOUT HALF of a representa-the long term.

In the responses, mainly from tive sample of the leading businessmen in the U.S. be
Conference Board, a company
the responses, mainly from the responses are part that the response in the respons By Terry Dodsworth in New York WHILE CHIEF executives in the U.S. are by far the best paid in the world, both Swiss and the media for the emphasis on "The pressures applied by the financial community for West German companies pay their top level of managers quarterly earnings is severely damaging most companies' view more, according to the latest Fortune Magazine survey of

as to what the critical measure of performance should be," said xecutive pay. executives come French fourth in the payments league, expressed in dollar equivalents, one petroleum company presifollowed by Canadian and Brazilian managers. UK com-panies pay only the ninth highest salaries at \$58,800 for Greens adopt radical Strasbourg platform middle although in net after-tax terms, THE WEST German Greens mentary party in the Bundestag approved the move by 437 votes Bonn, to 347. The strength of the The party has chosen Herr opposition is a sign of the split

British executives emerge as seventh in the league.

Because of the recent strength of the dollar, U.S. salaries look even more prepossessing at present, says the survey, which gives average annual pre-tax compensation for American upper middle managers as

\$112,000 (£75,000) in 1983 At the same time, senior U.S. executives benefit much more than their peers overseas from

world 'consuming more oil'

Industrial

By Richard Johns In London

OIL CONSUMPTION in the industrialised world could rise by 5.7 per cent in the first quarter of 1984, according to estimates of the International Energy Agency.

The projected increase is attributed largely to the U.S. and Canada. Provisional data published by the IEA in its latest monthly market as-sessment indicate that North American consumption will be up 12 per cent above the 1983 level because of a recovery in economic activity and a colder than normal winter

It looks as if it will be 7 per cent up in the Pacific region. But a decrease of 3 per cent is estimated for

Europe.

World oil supply is reckoned by the IEA to have fallen from the 1983 peak of 46.5m barrels a day recorded last October and November to 45.5m b/d in January and February, with members of the Organisation of Petroleum Exporting Countries (Opec) suffering nearly all of the decline.

Opec crude oil output for the first quarter of 1984 is put at 17.9m b/d (plus im b/d of natural gas liquids), compared with 18.9m b/d in the last quarter of 1983 and an average for the whole of last year of 17.5m b/d.

Stocks on land in member states of the Organisation for Economic Co-operation and Development were drawn down at the rate of 800,000 b/d in the last three months of 1983, and the rate in the first three months of 1984 looks as though it will be 1.5m b/d.

Frogman hunt

Swedish soldiers were using tracker dogs in a hunt for frogmen, suspected of coming from a foreign submarine, seen near the Karlskro-

uncertain climate

Moderates, who have success

A sustained growth in company dividends is a cheerful sight for any investor. At Sun Life, dividends grew by 20% p.a. compound in the ten years from 1973 to 1982.*

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*Based on the latest audited results.

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A major force in British Life

Brazil and U.S. near deadline on steel exports

By Andrew Whitley in Rio de Janeiro

BRAZIL IS expected to return to the negotiating table in Washington this week in a second attempt to reach agreement with the U.S. on a voluntary reduction of its steel exports to the American

The Brazilians are under pressure to reach agreement before next Friday, when temporary import surcharges of between 53 per cent and 100 per cent on heavy steel plate are due to come into permanent

A senior Industry and Con

merce Ministry official warned last week however that Brazil may be forced to abandon the negotiations which opened in mid-February and were suspended a few days later, if the U.S. persisted in offering only a low quota for Brazil's important flat steel products. Sr Marcos Jose Marques, who headed the delegation in the first round of talks, said that beyond a certain point, it would not make sense for Brazil to reach an accord. "If we reach a necord this will set a poor agreement this will set a precedent for other agree-ments we shall eventually have to make with other countries."

Negev desert.

The Dead Sea Chemical
Works is understood to have
awarded the contract, thought
to be worth about \$20m, after
five years of negotiations with

rival British, South African and U.S. concerns.

The contract involves long-

Privately, Brazilian officials are saying that an impediment in the way of a steel pact with the U.S. is a row said to be going on between the U.S. Com merce Department and the Special Trade Representative's office over how generous the U.S. can afford to be with

he said. Brazilian steel exports

to the EEC are also coming

THE BRAZILIAN Aviation placed an order worth £1.4m for Ministry has signed a FFr 400m new Instrument Landing They also believe that U.S. election considerations are hindering the chances of reach-(£33m) contract with Thomson cSF, the French state-owned rejecting a bid by Racal of the electronics and defence group, UK. The five systems will be for the installation of the next used in trials at several UK airstage of its air traffic control fields — Heathrow, Stansted. ing agreement. Brazil's opening position in last month's talks was to seek a ceiling between last year's exports of 900,000 tonnes and the anticipated 1984 range radar stations covering the North and North-east of the figure of 1.2m tonnes Cosipa, Brazil's leading steel country, as well as the training of personnel and installation of control centres. It

producer and exporter, which last month suspended its exports to the U.S. following the imposition of import surcharges on its plate, estimated its losses from a three-day French company.

Michael Donne adds: The UK

Michael Donne strike over pay which ended on Thursday at \$8.3m.

of formed a joint venture called an Sabcon, Asea of Sweden and Boving of the UK were to do electrical and mechanical work.

The project involves the adaptation of an original Soviet design for the scheme by Sweco of Sweden and Engineering and Power Development Consultants of the UK. Civil work began towards the end of 1982 and was cancelled outright final by the Indonesian Government AFTER TEN months of anguished negotiations, Anglo - Swedish consortium which includes Britain's Balfour Beatty has finally scaled a deal with the Indonesian Government to save the cancelled multi-million pound Mrica hydroelectric project in central Java, "I feel a bit shell-shocked,"

said a banker after a final exchange of letters at the week-end. "They are tough nego-tiators." The story of the saving of the project is a good example of what international co-operation and judicious use of the carrot and stick can achieve.

Work on the 180Mw project, worth £240m, is to resume as

CABLE: BELT, the British point on the earth's surface, mining equipment company, is to deliver 2m tonnes of potash to build an overland conveyor for carrying potash from Sedom on the Dead Sea through the wildest part of Israel's to haul the potash up long Negev desert.

The 11-mile conveyor, said beriev, Surrey, and has won to be the longest in Asia, will similar projects in the climb 3,000 feet from the lowest Americas, Africa, Australia and

represents a continuation of the initial contract to Thomson-work begun in 1972 by the CSF is believed to have been

French radar success

BY OUR RIO DE JANEIRO CORRESPONDENT

Civil Aviation Authority has the UK's needs.

by the Indonesian Government six months later.

The cancellation was part of a rephasing of some four dozen large capital intensive projects following the drop in world oil prices. Indonesia, Asia's largest

UK company wins Dead Sea deal

CABLE BELT, the British point on the earth's surface, mining equipment company, is to deliver 2m tonnes of potash to build an overland conveyor a year to the rail-head near the carrying job of the belt for carrying potash from Dimona. At present, the Dead from the means of driving it.

Sedom on the Dead Sea through Sea works uses a fleet of lorries Competitive terms provided.

Cable Belt's conveyor will

present severe engineering problems since its route crosses

deep ravines and wadis and two 600 ft high escarpments.

The company, part of the Laird Group, is based at Cam-

new Instrument Landing Systems with Thomson-CSF,

fields — Heathrow, Stansted. Dunsfold, Bletchley and Gat-

wick. If the trials are successful,

a further follow-on £4m order for systems for 12 airfields will

likely to be built in the UK.
The CAA's decision to award

inexorably pushed the matter signed on May 14 1982, the to a conclusion.

The first official confirmation credit interest rates went up,

by the Export Credits Guarantee

Israeli contract for Britain. The

ECGD has authorised loans at 9 per cent interest repayable

over 10 years for the project.
N. M. Rothschild acted as Cable

Belt's financial advisers on the

project.
There had also been strong

pleas from the Israeli Transport

Ministry that the road link from

Department helped to win the

aimed at fully electrifying the villages of Java, one of the world's most densely populated islands. But the more important question was cost.

Industry Minister, senior Trade
Department officials and personnel from the Export Credits
Guarantee Department travelled to Jakarta. Sweden sent
Similar people, and the large relate to timing, which affects teams of negotiators slowly but the financing. The contract was inexorably pushed the matter to a conclusion.

The first official confirmation of the contract was signed on May 14 1982, the day before international export credit interest rates went up.

contract.

The value of the work being done by Sweden, where the two banks involved are Svenska Handelsbank and SEB, is lower.

The British Government has days by Sweden, but took longer also offered a film outright in Britain because of different grant as a proportion of the eletromechanical costs.

The work difficult assect of specific procedures and sufficient procedures that the tracking of letters less Saturday means that is tracking to the second of the letters less that the tracking of letters less that the letter less that the tracking of letters less that the letter less that the less that the letter less that the letter less that the The most difficult aspect of the talks concerned the terms of the export credits under the amended deal. In the end the interest rate was kept unchanged at 7½ per cent, but the repayment period was stretched

to 13 years from the time of

SHIPPING REPORT

CONTINUED tension in the

22 or 23.5 respectively, with an option of 30 days' storage at \$13,000 a day. Other fixtures included a 230,000-ton cargo from Kharg Island to the West

brinkmanship lity. There is no doubt that civil contract, Boving's £31m week when it suddenly emerged se consortium it will be practically useful; turbines deal and the design that, while both indonesia and stick to retain Mrica is one of many projects contract.

Sabcon were anxious for work

procedures. The exchange of letters last Saturday means work will at last resume, to the relief of all.

The early resumption is important because of the weather at this time of year. It is drier and river diversions can be tackled more easily. At the end of the negotiations, every day was starting to count.

to 13 years from the time of completion, up from 10 years.

With the parties also agreeing to add two years to the original five-year period of construction, this amounts to a very attractive deal for Indonesis. Even so, a last-minute week. The will to succeed had hold-up appeared to occur last finally went through.

at Worldscale 271 and one of 250,000 tons at Worldscale 28. Last month's rates were around

Congress to confer on export control Bills

By Nancy Dunne

A JOINT Congressional com-A JOINT Congressional committee is expected to start work this week on resolving the differences in U.S. expert control legislation. A Senate Bill which differs in many ways from what the White House wants was passed late last week. Of particular contern to the U.S.'s trading partners will be the final form of the provision governing the President's authority to impose import controls. governing the resaments aumority to impose import controls. While the House rejected attempts to provide for such controls, the Senate approved

them after a complicated compromise.

If the Senate version is accepted by the conference committee, the President could be a functional to the complete committee. committee, the President could slap import controls on non-Gatt countries. For violations of national security he could impose them on individual companies, providing a majority of members of the CoCom (the Paris based body which vets militarily sensitive sales) agrees that multinational rules have been violated.

been violated.

On the controversial issue of the President's authority to impose extraterritorial controls, both Bills limit this power in foreign policy cases, but allow their imposition for reasons of authority accounts.

Last month's rates were around Worldscale 20 for cargoes of this size.

Galbraith's said it did not believe the Strait of Hormuz would actually be blocked, as threatened by Iran if Iraq were to disrupt its oil exports. But owners could manoeuvre charteness in the results believe the strain were the strain workers. national security.

Many disputes between hardline anti-communists who want stiffer controls and business charterers into paying higher rates for oil shipped from Iran. Last week's reported fixtures from the Gulf totalted 23 against only 11 the week before. interests, which want rules relaxed, remain to be resolved by the committee.

The house bill would ease restrictions on East-West trade, but place restrictions on U.S. trade and investment in South On the dry cargo side, recent expansion of coal and iron ore business was welcomed by owners but had little effect on rates, said Matheson (Chartering).

Africa. Hong Kong utility

out of China project HONG KONG Electric Holdings, the smaller of the terri-tory's two power utilities, says it does not want to participate in a nuclear power station planned in the Guangdong province of China, Robert Cotrell writes from Hong Kong.

Mr Paul Channon, Britain's

Trade Minister, said in Hong-kong last week that he expects General Electric Company of Britain to win a major contract in the project. GEC must bid by

How the carrot and the stick saved a £240m project

oil and gas exporter, faced a debt crisis. Sabcon enlisted the support of the UK and Swedish Governments to try to save the project, where 2,000 men were soon as possible. Contractors project, where 2,000 men were for the civil works are Balfour already at work and equipment Beatty—part of the BICC group was in place.

—and Skanska of Sweden, who A sustained display of

patience and brinkmanship followed, as the consortium tried carrot and stick to retain its business while Indonesia tried to get better terms. At various key moments Mr Norman Lamont, UK Trade and Industry Minister, senior Trade Department officials and person-

The first official confirmation of a breakthrough was in President Suharto's January budget speech, but nobody could have guessed that the last phase, involving the Indonesian State Electricity Company, and the Ministry of Finance, would be so difficult.

At the heart of the issue, it seems, was the project's viabi-

of seems, was the project's viabl- This

CONTINUED tension in the Gulf last week pushed up rates for large tankers, though the market in other oil-loading areas remained slack.

Gaibraith's reported that Shell set the pace by fixing an Ultra Large Crude Carrier (ULCC) for a 330,000-ton cargo from Kharg Island in Iran. "Subsequently," it said, "other charterers threw caution to the winds and covered ex-Kharg at a new stretch of railway. Howwinds and covered ex-Kharg at considerably improved figures."

The Shell deal was for eventual discharge in either the West or the East at Worldscale

NEGEV

Tariff aid for Nicaragua

BY TIM COONE IN MANAGUA

COLOMBIA has signed a trade agreement with Nicaragua giving preferential import tariff treatment to a list of 20 non-traditional Nicaraguan export products. Tariffs are to be reduced to a minimum or eliminated entirely and the agreement is likely to be the first of several to be arranged between Colombia and other Central American countries. Sr Rodrigo Marin Bernal, Colombia's Minister for Eco-

nomic Development, said that

only at achieving a better trade balance between the two countries, but also be-cause it was recognised that to achieve peace in Central America it was necessary to follow policies that addressed the social and economic probus of the region.

Trade between Colombia and Nicaragua has been valued at between \$2m and \$13m over the past five years. The new tariff agreement will cover products such as chlorine, hydrochloric acid, cotton, pesticides and tobacco.

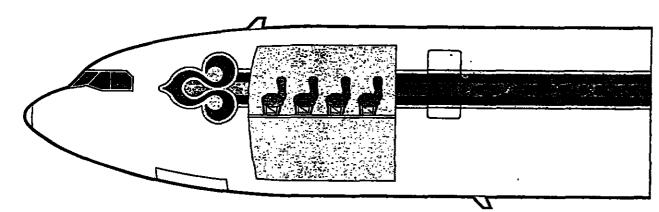
World Economic Indicators

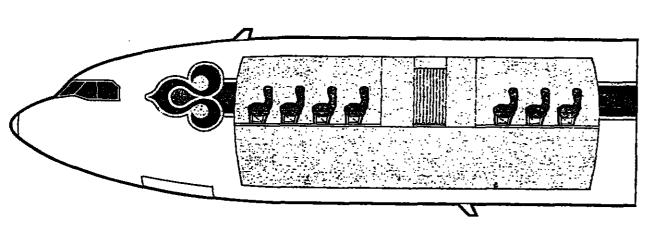
Gulf rates improve

BY ANDREW FISHER, SHIPPING CORRESPONDENT

	FOREIGN	EXCHANGE R (US\$m)	ESERYES	
	Dec. '83	Nov. '83	Oct. 23	Dec. 82
JSA	6,289	6,914	5.95Z	10,212
W., Germany	37,320	37,907	38,279	39,620
apan	29,364	20,161	20,444	19.172
J.K.	8,718	8,775	8,967	9,674
taly	18.525	18,335	17.753	12,610
Netherlands	8,702	8,707	8,730	8.662
Selgium	3,776	3,843	3.937	2.824
_	Nov. 33	- Oct. 183	Sept. '83	Nov. W
rance	18,831	18,702	18,631	11,654
Source: IMF				

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When we replaced first class with Royal Executive Class on all our Asian routes, in April 83, we thought we full Economy fare. had everything planned beautifully.

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are too embarrassed to talk about. And all for just the

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And everyone of them goes back further A standard of in-flight service that other airlines than any other business class seat in the world. Thus



Summary

	. •	
Turnover Operating Profit/(Loss) Interest Profit/(Loss) before Taxation and Extraordinary Items Extraordinary Items Profit/(Loss) Attributable to Ordinary Shareholders Earnings/(Loss) Per Share Dividend Per Share	1983 £Million 282.0 24.5 (3.6) 20.9 (4.2) 13.1 11.8p 2.0p	1982 £ Million 232.1- (9.2) (8.2) (17.4) (12.8) (31.7) (16.5p)

Group Restructuring has produced strong profit recovery:

Group Debt Profile transformed:

Continued expansion into high technology electronic components and computer

toration of Dividend payment

s growth and profits forecast in 1984:

Electronic Sales up 40% and Total Group Sales up 21%:

Highlights of the Year ☐ Operating Profit increased to 8.7% of Sales. ☐ Pretax Profit of 920 9m compound with land

Pretax Profit of £20.9m compared with loss of £17.4m in 1982. Earnings Improvement by £36.4m to £17.4m
 Head Office and Tax residence successfully moved to Hong Kon subsidiaries to parent company no longer taxable.
 Audio losses drastically reduced and profits projected for 1984. fully moved to Hong Kong. Dividends from overs

Audio losses drastically reduced and profits projected for 1904.

UK/Europe group achieved operating profits.

40 companies, workhvide, identified forsale, closure or liquidation. Extraordinary write-offs relating to actual or planned ciosures mark the end of the major rationalisation programme.

Astec and Capetronic maintained strong growth in turnover and profits.

Swan Housewares achieved increased market share and sales atthough margine

remained low. BSR (Japan) expanded marketing activities and was highly successful in both Japanese domestic and worldwide U.S. military markets.

X-10 marketing strategy changed and inventories reduced to more acceptable levels. Successful Rights issue and placement of new shares in April raised £24.2m. Net short-term debt reduced from £42.0m to £4.1m.

Operating Profit interest cover raised to 6.9 times. Sale of BVC Ltd's business and assets will further improve liquidity in 1984.
Shareholders Funds increased from £267m to £81,1m.

Gearing reduced from 178% to 41% and further improvement planned. Group acquired worldwide rights to manufacture and market Enterpo Micro-drive ("Stringy Pioppy") hardware for low cost, high performance memory applications.

Production of electronic fluorescent lighting ballest commenced.

Capital Expenditure in 1983 totalled £14,2m to improve and automate manufacturing

Other new products include: - Silicon chip integrated switching power supplies

- Colour monitors
- Colour monitors
- Colour monitors
- Touch Pad" computer controllers
- Micro-crystal controlled modulators
- RF tuners for broadcast and cable television
- Dimebble electronic fluorescent lighting ballasts.

The Directors recommend a final dividend of 1.5p bringing the total for the year to 2.0p (1982 nil).

Principal electronic subsidiaries. Asiac and Canatronic connection in warm tracket. Principal electronic subsidiaries, Astec and Capetronic, expecting buoyent tracing conditions and further growth in sales and profits.
 Group operations are forecast to confines the favourable trends already established.

The Chairman thanks all employees for their support during the year, which has made these achievements pos

The Technology Company BSR INTERNATIONAL PLC

Head Office: 1015 Ocean Centre, Kowloon, Hong Kong Registered Office: High Street, Wollaston, Stourbridge, West Midlands DY8 4PG, England.

To obtain copies of the full "1983 Annual Report", write to The Company Secretary at the Registered Office.

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THE PRINCE

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Mar Even (TT)

Man Telegraph

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Expected to start start of the conference of the

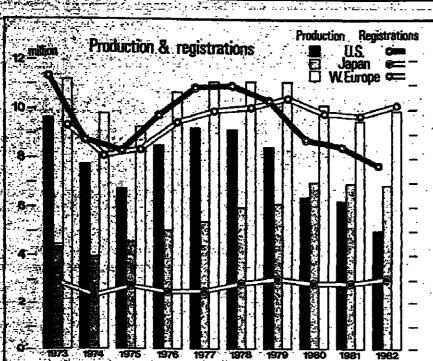
March 5 1984

Ils limit this possi position for resert security disputes between in i-communists who a controls and base 3, which want he remain to be real committee.
bouse bill world a cass on East-West by ce restrictions on R

legislation. A see that the White he spassed late last at rificular concern to the profile the profile the President's at the President's at the President's at the President's at the House friends to provide for at the Senate appearance. Senate version is by the content of the President of ee, the Presidence port controls a support controls as a mairies. For value mairies. For value mairies, providing a minus providing a minus bers of the Coom is assed body which a sensitive sales) as a support of the coom is a sensitive sales) as a support of the coom is a sensitive sales) as a support of the coom is a sensitive sales) as a support of the coordinate of t y sensitive sales) and ditinational rules in the plant rules in the plant rules in the plant rules in the plant rules in the rules in t e controversial issue exident's authority

Kong utility China project KONG Electric R we power utilities =

BOT WELL to panis dear power station to the Guangdong prona. Robert Cottell to stag Kong. Paul Channon Bir Minister, said in E st week that he com Flectric Company to win a major car



40_\$ per barrel Spot of price 1977 78 79 80 140— Spot oil price index 130---110-90--80---**&.**2.U

Relative compensation costs US -100 **W.Germany** 67

Production shifts into higher gear

20% 40% 60% "-4" Y-" V-" Japan France better overall performance than the markets as a whole. As measured by the Capital International indices, the share UK price of car producers rose 30 per cent in 1983 against rall stock market growth of 18 per cent. Commentary by Our Economics Staff; data analysis by Financial Times Statistics Unit; charts and graphs by Financial Times

Car Production (000's)

8,508 3,720 1,740 3,696 2,698 460 12

Japan's car exports

1982

total 3-77m

27%

1970

other 0-5m

Western

Europe

tm-million cars

America

0·2m

Exports as a percentage of production Cars in use 1982 (m-million cars) (42-2%)W.Germany Italy France

2000 cc or less

U.S. car production — so

4900cc or more

by size of engine

Led by strong growth in the U.S. and continued growth in MOTOR VEHICLE PRODUCERS and continued growth in Japan, the recovery in the world economy began in 1983 following the recession of 1981-83. In the U.S. this was based taitially on a boom in consumer spending and in Iapan on growth of exports. Fiet Toyo Kogyo Honda Missubishi The recession in the car. production industry started

earlier than the general downturn in the GECD economies and in industrial U.S., and was more severe.

However, the turnround in 1983 was dromatic—with production up neurig 30 per cent in the TIE and Link Links. in the UK, and slight increases in West Germany and France.

The oil price shock of 1979-80 raised prices per barrel from around \$13 in 1978 to \$38 in 1983; from which they fell back to \$28 to \$29 in 1983.

However the strength of the dollar in 1981-83 prevented this fall being passed on to the European countries. While the dollar price of oil fell 25 per cent over the period, the European price rose 30 per cent. Recent weakness of the dollar should reduce this differential. PRODUCTION AND CARS IN USE differential. ·

Japan's continued growth in motor output, operaking U.S. production, has been matched step by step with growth in

U.S. BIG 3 (USSm) (excluding contribution from Ford and GM in Europe)

exports, which have grown nearly 200 per cent in 10 years. Exports to Europe have risen countries, Japan and West Germany had the lowest rate of increase in labour costs over the 1975-82 period, but the prom 100,000 cars in 1970 to nearly 1m by 1987, while in Europe the level of exports has remained stagnant. European exports to the U.S. (their main market in the early 1970s) have helped since them as Ignan's strength of the yen against the European currencies wiped out that advantage. On the international stock halved since then as Japan's exports to the U.S. have grown dramatically to account for almost 50 per cent of total markets, the shares of the leading car producers, particularly those based in the

1978 1979

The continued pressures on European manufacturers are reflected in statistics which show European registrations moving ahead of production for the first time in 1980-81.

Among the developing countries, South Korea is strengthening its position, with production growing at around 30 per cent a year, although from a small production base of about 100,000 units in 1982. Japan's labour costs remain competitive in dollar terms against its European competitors, although these costs are four times the

comparable costs in South Among the major car

3,852 3,245 1,408 -4,243 -1,065 1,3

Effective Exchange Rate

105.19 104.70

95.73 93.65 93.88

118.05

GNP/GDP % growth

124.28	76.6 5 70.91	90.46 83.22	* Estimated.
124.25			
119.28 124.28	84.37 76.6 5	90.46	
128.75	94.35	96.05 94.91	Spain S. Korea
127.45	83.38	87.24	France
120.11	91.32	81.46	W. Germany
104.84 113.00	95.63 91.31	85.60 81.17	UK
_	700.00		Japan

2.1 4.8 0.3 -1.9

0.1 Source: OECL

UK

Charts Department.

FRANCE

GERMANY

JAPAN

100.00 104.21

115.21

141.67 131.48 126.50 142.94 134.78 148.42

			% chang			
	US	Jepan	W Ger.	UK	France	S Kore
1975	-9.5	16.2	2.1	-17.2	-3.2	
1976	26.7	10.0	22.3	4.8	14.6	•
1977	8.3	7.8	8.8	-1.0	5.3	•
1978	-0.4	10.2	2.8	-7.1	1.7	•
1979	-8.2	3.4	1.0	-12.6	3.0	•
1980	24.0	13.9	~10.8	-13.7	-6.8	•
1981	-2.5	-1.0	2.2	3.4	-15.4	•
1982	-19.0	-1.3	4.9	-7.0	4.5	36
1983	. 27.9	3.0	2.0	17.6	4.2	33

5,050 6,888 888 3,766 3,086 924 98

	US	W Germany	Japan	France	UK
1975	100	100	100	100	700
1976	115	714	118	111	100
1977	127	.136	141	121	103
1978	128	153	191	134	118
1978 .	136	172	188	754	145
1980	160	189	186	183	185
1981	203	186	229	188	199
1982	256	211	254	202	201
• Adjust	ed for cha	nges in expor	compet	tiveness.	
Export	s of Ca	rs (000's)			
Export		rs (000's) w germany	ITALY	UK	JAPAN

Hourly Compensation Costs*

_		FRANCE	W GERMAN	Y ITALY	UK	JAPA
18	1971	1,149	2,156	640	721	1,299
- 1	1972	1,240	2,098	659	627	1,407
	1973	1,340	2,203	656	59 9	1,450
- 1	1974	1,298	1,882	686	565	1,727
1	1975	1,233	1,500	661	516	1,827
	. 1976	1,326	1,995	696	496	2,539
	1977	1,429	2,201	644	474	2,959
	1978	1,394	2,210	640	466	3,042
	1979	1.535	2,283	647	410	3,102
	1980	1,359	2.108	511	359	3,947
_	1981	1,244	2.197	425	349	3,946
	1982	1,194	2,517	437	313	3.77
_						

MANNESMANN

This still leaves production ..

levels well below the levels of the 18st in the U.S., while Japon's production continued its upward trendrafter two years of sight decline.

Profits for the major U.S. mainifacturers in 1982 brought to an end years of losses, and preliminary results for 1983 show the sight substantial interpresents.

actual operation.

Hydraulic drives and controls are

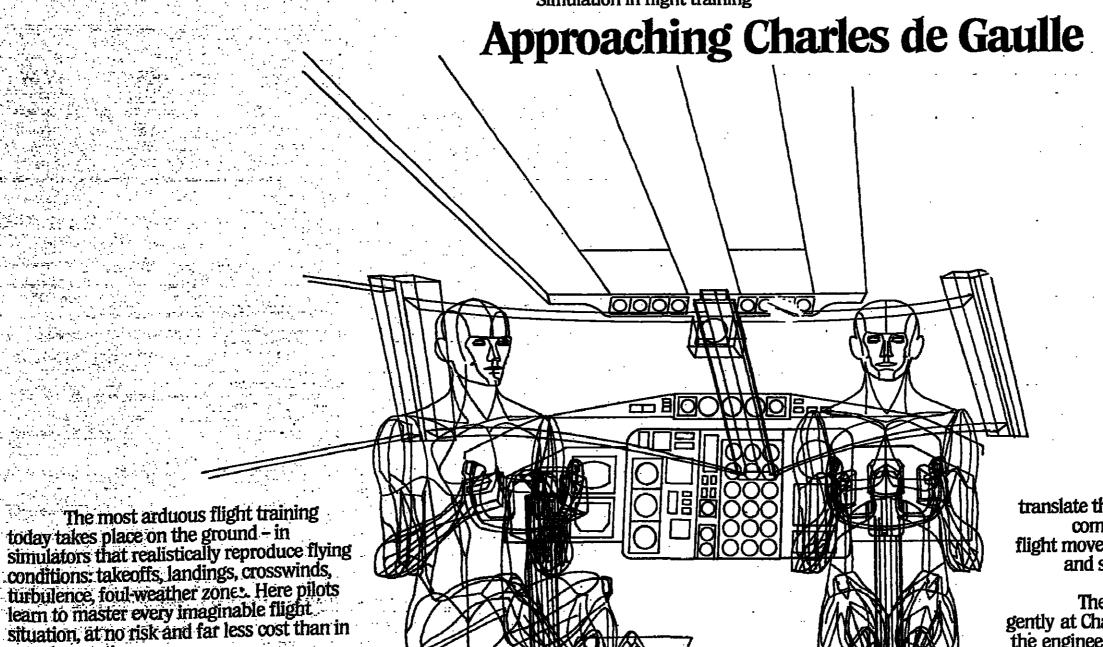
Mannesmann's contribution. Integrated into a sophisticated system of mechanical, optical, and electronic circuits, they

USA 124.8 -6.5

Average of 1978/82,

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mannesmann technology



'Bizarre' standards confusion

BY GEOFFREY CHARLISH

THE STANDARDS disarray that exists between official bodies, non-official groupings and manufacturers is causing in-creasing irritation and frustra-tion among users of information equipment from different

So much so that one of the delegates at the recent Info 84 conference in London described the present situation as

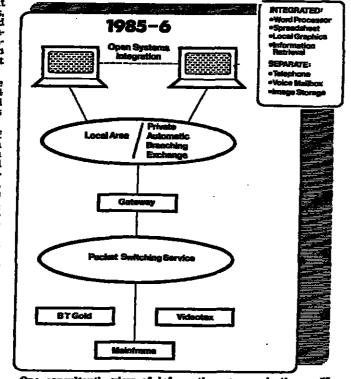
And he is not too far wide of the mark. The present position is that if someone with a screen and keyboard device (personal computer, word processor, terminal) wants to transmit text, computer data or anything else to another, dissimilar terminal on-site, let alone within the UK or overseas, then the chances

Unfortunately such communications are technically difficult, as any attempt to grasp the complexities of the "ISO seven-layer model" will reveal. ISO, the International Standards Organisation, is attempting to arrive at a set of standards covering all the aspects of "open systems interconnec-tion," or OSI, from communica-tions systems right down to how International Standards tions systems right down to how documents are arranged. This will allow communications between different equipment

In so doing however, it h to embrace some functions that another body, CCITT (the international consultative committee for telecommunications) sees as its own. Traditionally, the CCITT has looked after public public communications re-sources while ISO has covered user equipment. But in recent years computers have taken to communicating while communi-cations equipment has become computer driven. As one speaker at Info 84, Peter Rigg of Logica said: "It is a grey

He continued: "The development of joint standards is stimulated by a widespread desire to achieve them, but hindered by sectional interests and the procedural rules of CCITT and ISO, which make truly joint meetings and joint decision impossible. What decisions impossible. What commonality there is is achieved by informal rather than formal collaboration."

Other formal efforts run in



Peter Rigg of Logica thinks that dedicated word processors

Engineers in the U.S. where the work is mainly concerned with what ISO calls "transport -local area networks (LAN) and more recently metropolitan area networks
(MAN) that cover a 25 mile
radius over cable TV links.
These link computers and
terminals on a single ring-like cable

In Europe, ECMA (European Computer Manufacturers' Association) came forward with LAN proposals in 1982, and was backed by 20 companies led by ICL. This "standard" (it does not have the authority and recognition accorded to ISO or CCITT) has some commonality with both ISO and Ethernet. Ethernet largely follows the IEEE rules.

As usual, IBM waited for some of the LAN dust to settle and then announced its own experimental version. parallel, such as at the Institute summer. IRM's preference for

based officially on a desire to support a wide mix of applications, including voice, for standards within the industry in
which the other main sout of a relatively short time."

LAN, called CSMA/CD is less

In the other camp—that of

to take over the whole market with its CSMA-based Ethernet system. He also commented that although both the Xerox and TRM LANs ere said to be "open," (that is, will allow any make of equipment to be connected), Xerox can prove at, while "IBM has a credibility gap at the moment."

These kinds of differences abound. Another example is in "mail-box" store and forward electronic mail offerings; none of these currently work together, since there is no common protocol or message structure.

Meanwhile, the UK Depart- that,

How Van Doorne stepped up a gear

BY WALTER ELLIS IN AMSTERDAM

ment of Industry, sensing frus-tration at both user end manu-facturer level, has instituted This is a strategy which aims rims is a strategy which aims to identify and promote emerging standards without waiting for their formal publication. The planned confidence level behind these "intercepts" will be that they should all mature the full expedite. They should It helps, of course, if you have a good product, and it is also handy to be part-owned by a duo of industrial giants. Van Doorne Transmissile, a Dutch ino full standards. They should gearbox manufacturer, is one such company. Its workforce of less than 200, based in the southern city of Tilburs, close to the Belgian border, has just had its future secured—and the likelihood of expansion conformed by orders from Kord never be withdrawn or fulfil only temporary functions.

The problem remains however: which will mature? While ers wait for the official European standards, manufacturers are bound to seek to do as much husiness with their own pro-ducts as possible. IBM with its massive installed base of likelihood of expansion con-firmed— by orders from Ford of the U.S. and Flat of Italy for its revolutionary CVT trans-mission system. The company was once part of DAF cars. Fuji and Nissan of Japan, Opel (part of General Motors) and Volvo are also among the interested parties. Van Doorne itself predicts a brilliant future terminals is the obvious TBM is known to have

CAR COMPONENTS

developed a new set of architec-tures to deal with document transfer within its own product range. These are DIA, standing for document interchange archi-tecture, and DCA, document content architecture; they are higher level protocols over and above SNA (systems network architecture, the company's established method).

At the conference it became clear that AES, the word processing company, is backing the IBM approach, for reasons made plain enough by Michael Burke, product planning manager in product planning manager in Montreal. He said: "It is understood that these architectures

In the other camp—that of the telephone companies—the However, according to Peter growing stature of the private Rigg, the unofficial reason is automatic branding exchange as that IBM does not want Xerox the means not switching data the means oof switching data (there were presentations from both Plessey and GEC) is partly because it is in a rather more advanced standards position than the LAN, having grown over 50 years rather than five. However, Rigg pointed out that it has "no efficient standard method for linking to computer host systems and no international standard is being developed."

Burke of AES appeared to have little time for ISO, CCITT, ECMA or any of the "official" European approaches. He said: "Standards ere standards only when people use them." It is difficult to argue with between the two transmits the

IT IS NOT often that a small, achieved on a continuous basis. specialist manufacturer wins. The CVT has been around contracts to supply some of the in one form or another for world's largest companies, nearly 25 years. The struggle world's largest companies, nearly 25 years. The struggle Breaking in to the big league is for perfection has been long the dream of all entrepreneurs, and arduous, and at one point;

itself predicts a brilliant future for its latest device, while no less a motor magnate than less a motor magnate than lenry Ford II expects all Ford cars to offer CVTs as optional equipment within the foreseeable future.

The CVT, standing for continuous and the country to the coun

tinuously variable transmission, dispenses with fixed ratios in automatic gearing, allowing a smooth and gradual transition and permitting fuel savings of up to 20 per cent on present costs. Reliability is another advantage, with fewer parts, all of them working together, with little inter-gear resistance, the CVT is both sophisticated and

Present-day automatic gear systems still operate on the principle of abrupt movement from one gear-ratio to the next. This movement even gave rise to the American definition of a transmission system as a "shift." With the CVT, the process is uninterrupted by fixed stages ie, 1st, 2nd, 3rd and 4th gears. Instead, two pulleys, one attached to the engine, the other to the drive-shaft, are capable of width-wise expansion and contraction. Each pulley, shaped like an old-fashioned cotton reel, has a dip in the middle, which deepens or raises as the sides of the pulley either move apart or close up. As one pulley deepens, the other becomes

more shallow, and a best drawn

changes in speed and ratios thus

when the system was used by Daf Cars with belts made of rubber rather than steel, the humiliating suggestion was that the vehicles were powered by elastic bands. Co-operation with Fiat and Ford, among others, in recent years has helped smooth out the wrinkles,

so that the latest, 811 CVT has won paeons of praise from the auto-industry round the world. Fuji is to be the pioneer in Japan. GM is to manufacture Japan. GM 19 to manufacture under licence in Strasbourg. Volvo Car, the independent Dutch associate of Volvo of Sweden, is to make CVTs in Beigium for Flat and Ford. Ford Fiestas, followed by Escoris, will start the process, alongside the Flat Uno and the Subaru Justy. Some cars fitted with the CVT could even be on the streets this summer.

Van Doorne Transmissie, until 1979 a direct descendant until 1979 a direct descendant of Daf cars (the others are Volvo Car and Daf Trucks), is now owned jointly by the Dutch state, Volvo Car, Borgwamer of the U.S. and Flat. Volvo holds 39.5 per cent of the shares, Flat and Borg Warner 24 per cent and the state 125 per cent. state 12.5 per cent. The founding Van Doorne

family has gradually moved out of the picture, and the present, complicated pattern of holdings was completed last year when Valvo Car (atself 70 per cent state-owned) became a major partner at a cost of only F123m. Van Doome faced an investment crisis. It needed cash urgently it the CVT was really to take off, and the involvement of active outsiders seems at last to have done the trick.

Van Doorne does not expect to be a major supplier of completed Cvts. Volvo Car will make up to 50,000 units a year for the next two years under the terms of a new contract, while Ford is expected to go into production itself at a later

GM is investing U.S.\$180m in its plant in Strasbourg, and the Japanese will also make their own. But the Dutch company will still supply parts

Computer Linkword

teaching system spreads

Dr Michael Gruneberg's Linkword system for languages is now available on a total of cight different microcomputers including the BBC Biers, Spectrum, Siring, Apricot, Apple, IEM machines and from Tansoft for the Oric Atmos

At the mement only four language teaching courses are available but Dr Gruneberg has plans for others includ-ing Russian, Greek and Rebrew.

The principle behind Linkword is the use of phrases-which link English with the equivalent foreign word. For example, the Spanish for lobster is hummer so the com-puter asks the student to imagine a lobster with a sensor of humour.

Graphics are not used, partly because of lack of memory in most home com-puters but also because some puters but also because some students learn better by using their imagination to create mental images rather than reteiving fixed images from the computer. Dr Gruneberg admitted that this might work to the detriment of others who cannot imagine images so well. so well.

Dr. Gruneberg, who is a psychologist and lectures at Swansea University, decided to develop Linkword as he finds languages uninteresting and thought it would be a challenge.

Electronics Gallium crystals

SUMITOMO ELECTRIC has developed the world's first dislocation free gallium arsendle single crystal for use in integrated circuit chips, a company spokesman said.

The company plans to market it in a year. Gailfum arsenide uses less power fism silicon and operates at higher speeds but the compound has previously been difficult to use because of partial dislocation in the configuration of gallium and arsenic atoms.

mainly on last year's timetable.

COMPANY METTINGS— Abstanders Discount 1, St Swithins Lane, EC. 12.00 Pleming Cisverhouse har Tist, E, Crosby Square EC, 2.15

nd & interest payments...

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interiors or finals. The sub-divisions shown below are based

Total capability in construction. **lorwest Hoist**

Materials Tougher plastics developed

DU PONT said it had devoloped a new tengh grade of plastic to be used in sum parts, crash helmets, appliances and other products.

If said the new comments It said the new compound called Ryante SST would be used instead of metal in products that needed stiffness and recisioner to impact and licest.

Du Pont said it will make the plastic first in the U.S. and later in Europa and Japan. The compound is part of its engineering plastics business which has been growing faster than any other part of its polymer groducts businesses.

Software

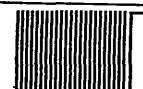
Foreign language database

Gulldford in Surrey, has developed a data base program which can be used in several European languages including Finnish Erench, German, Swedish, Italian, Spanish and Welch.

The data base can run an most 16-bit microcomputers most 16-bit microcomputers which use the MS DOS operating system. Called Delta the program has all the messages separated from the main part of the data hase allowing may be estation.

Several large computer makers including Registri-Packard, Digital Equipment Corporation and Xeres how distribute the system. More details from Compact on 0483 898545.

DIVIDEND & INTEREST PAYMENTS—Agricultural Morrgage (Jilapekis 7.9.34 63ept BLMC Socia 1998-2033 Sec. Do 74-921 1987-92 31ept 1



This announcement appears as a matter of record only.

March 5, 1984

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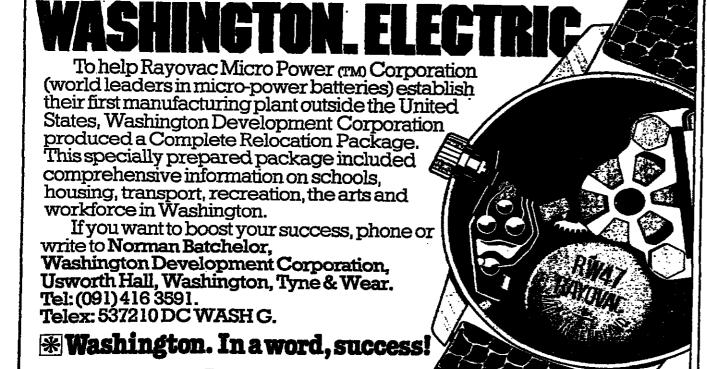
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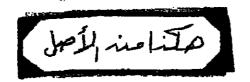
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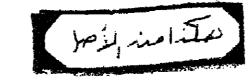
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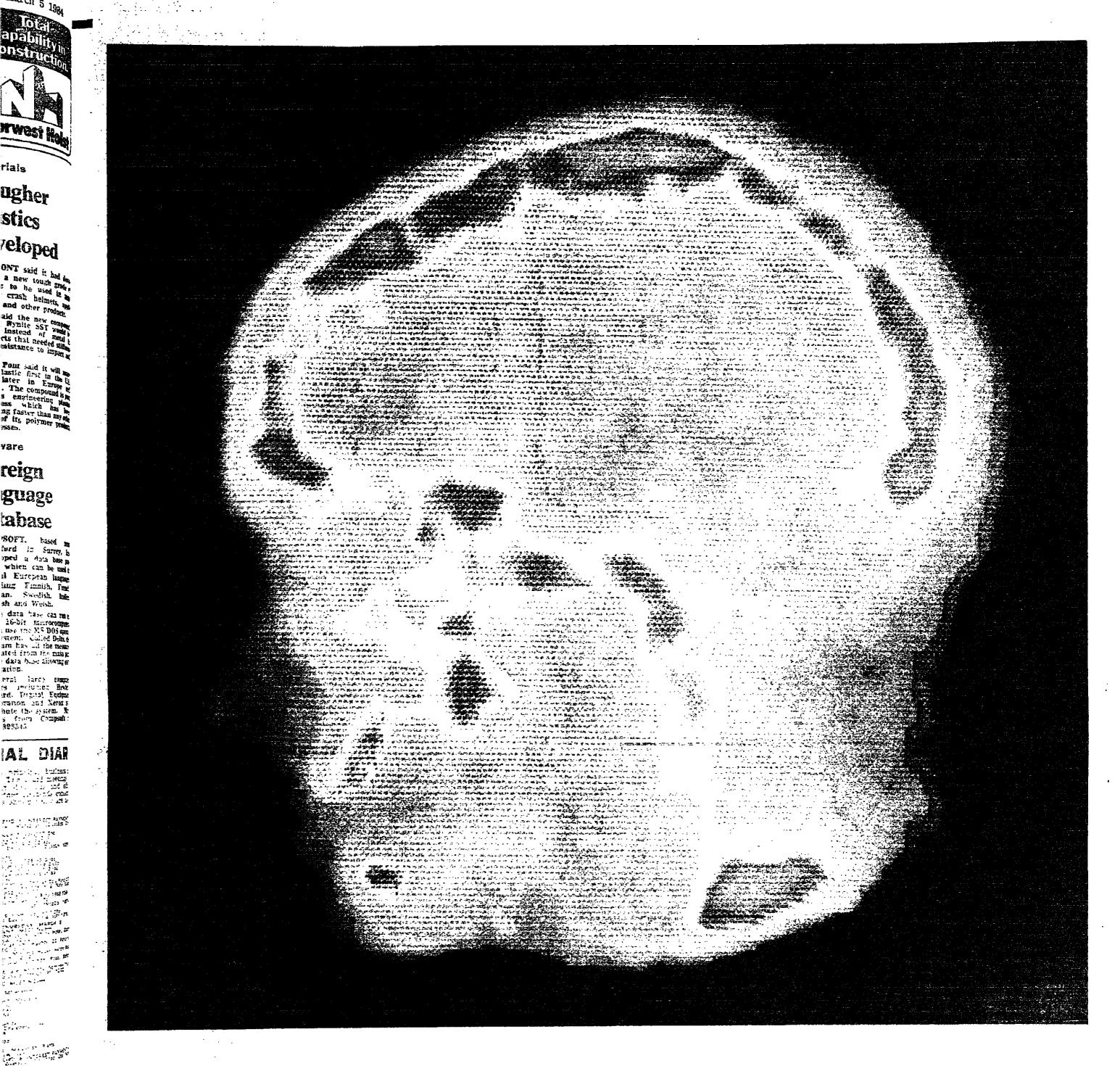
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March 5 1984

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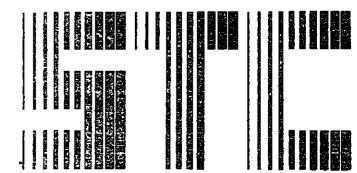
And although we've also developed into such new areas as hospital, airport and meteorological systems, we've extended the frontiers of telecommunications even further.

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Max Wilkinson reports on how the Chancellor could change import procedures

Lawson may revise VAT system

AS THE long queues of lorries slow-ly unwound in the mountainous border regions of Western Europe after the end of the French drivers protest, the British Treasury watched with special interest. The dispute about slow customs

clearance procedures has a direct relevance to an option that Mr Ni gel Lawson, the Chancellor of the Exchequer, is considering for inch-sion in his budget on March 13. He has been looking at the pos-

sibility of changing the UK system for levying value-added tax on imports to make it conform with In Britain, importers are allowed

a period of delay between the land-ing of goods, when VAT is due, and the actual payment, made with their next quarterly VAT return to the Customs and Excise depart-

The period of grace between the physical import of goods and the payment of VAT varies widely, but the average is thought to be about six weeks. That might be considered by some as an interest-free loan from the Treasury.
On the European continent, how-

ever. VAT must be paid as the goods pass through customs points. Although rules vary between different countries, lorry drivers have to and are often subject to tedious de-

IMPORTS TO UK (2bn on overseas trade basis)					
	1982	1983	% change		
Total goods	56.9	66.1	16		
Non-inquidactured goods	18,6	19.7	8		
Semi-manufactured goods	14.0	17.0	21		
Finished manufactured goods	23.0	28.0	22		

cent in value terms.

of objection

Against these arguments, the

Chancellor has to balance two sets

The first is the mass of practical

difficulties associated with collect-

ing VAT at the point of entry. Those

difficulties have been dramatically

highlighted by the continental lorry

• The second is that the lorry

men's action has greatly increased

pressure on European governments

That militant pressure is rein-

forced by a more stately recommen-

VAT on imported goods.

The obvious advantage of the tured goods surged by over 20 per continental system from the Trea-sury's point of view is that it would accelerate payments on Britain's imports (£86bn last year) and give a once-for-all boost to the Government's financial position.

The effect would be to reduce the public-sector borrowing requirement in 1984-85 by between £500m and £1.5bn, depending on whether a change of rules were applied to all imports or to some categories like

manufactured goods only.

That might give the Chancellor some much-needed room in his budget to improve the incentives for saving, or to ease the tax burden at some of the points where it is bear-

ing heavily.

An additional argument which officials have deployed in favour of the change is that it would discriminate against importers without being overtly protectionist.

Last year, Britain's imports of terms while imports of manufaction, especially as the move would resources.

- and unfamiliar – paperwork. Several hundred extra custom officers would also be required to deal with the new VAT forms and to check that cargoes corresponded to the documents.

Another reason for the Chancellor to hesitate might be to allow more time to consult with industry about the advantages of applying the change to some categories of

imports only.

For example, an importer of a foreign car might find the point of entry procedure less onerous than a British-based manufacturer using a lot of imported components. The complete car would be subject to only one bout of form-filling.
On the other hand, a manufactur-

er using many imported components would have to go through the procedure multiplied many times with possibilities of delay on each

It might be seen as fairer to accelish system of delayed collection of erate VAT payments for finished manufactured goods only, even though that would reduce the financial benefit to the Treasury.

dation of the European Commis-Despite all these difficulties, the sion. In July 1982, it said that the Council of Ministers should agree to adopt the British postponed accrease in company profits this year counting system (PAS).

It might seem perverse for a Britquidity would in general allow them ish Chancellor to choose this mo- to make the accelerated payments goods rose by 7 per cent in volume ment to move in the opposite direc- without obvious strain on their cash.

£115m order likely to help sale of Shorts

BY OUR BELFAST CORRESPONDENT

A HUGE U.S. government order for Short Brothers, the state-owned Belfast aircraft manufacturer, is likely to help the company on its

way back to private ownership. Initially worth £115m, the contract to supply Sherpa freight aircraft to the U.S. Air Force might reach a total value of £460m if options for more aircraft are taken up.

Sir Philip Foreman, chairman and managing director of Shorts, was overjoyed. The order was won after 18 months' struggling against more experienced competitors.

"Other countries, particularly in the Far East, could follow the American lead," Sir Philip said. Shorts will build 18 Sherpas, the freight version of its high-selling

liner, to be used to ferry spares between USAF bases in Europe. The options cover another 48 aircraft and can be exercised over the next two to four years.

The deal is worth so much because Shorts will also mount an extensive support programme to service and maintain the aircraft. The apany's engineers will be permanently stationed in West Germany.

Shorts will quickly add another 600 workers to its 6,000 labour force and the enhanced prospect of further sales will stabilise employ-

Sir Philip said that after many years of losses, the company would break even in the current financial, and freight aircraft, produces year and the American order, the guided weapons such as the Blow-

would help its return to profitability in 1984-85.

"A return to private ownership would be healthy but there is no point thinking about it until we have at least two years of good profits in the bag, and, more importantly, can project sustained profits." he said

For several years the company, with government support, has invested at the rate of £20m to £25m annually in new technology and capital equipment to make its Belfast complex one of the most modern aerospace facilities in Europe. Shorts was restructured in 1967

into three divisions. It manufactures a range of regional commuter

components, including jet engine pods, for other aircraft companies.

The USAF order has cemented the success of the aircraft division. More good news is expected this week, in the shape of a batch of orders for the 36-seat Shorts 360 aircraft, some of them for British Midland Airways, and its subsidiary Loganair and Manx Airlines.

Sir Philip said he now wanted to build up the components side of the business again after difficult times caused by the recession in the bigjet market. That led to a rescheduling of work for Boeing and Rolls-Royce, and it meant redundancies in Belfast.

He is hunting for a new contract and left today for Seattle for discus-

in union donations to Labour

By Philip Bassett, Labour Correspondent

LABOUR PARTY finances, already in danger from the effects of the Government's Trade Union Bill, face a new threat from a sharp drop for the first time in recent years in trade union members' political contributions, according to official fig-ures to be published next month.

The figures, which have already been sent to Mr Tom King, the Employment Secretary, will cause dismay in the Labour Party and the unions. About 80 per cent of the party's income comes

Labour's finances are likely to suffer because of the Bill, which is due to become law in the sum-mer. Its provision of 10-yearly membership ballots on the continuation of trade unions' political funds is felt by many in the party and the unions to be likely to lead to a cut in the unions' li-

one authoritative estimate is that this and other measures could cut up to 22m from Labour's income, which stood at £3.59m in 1982, the latest year for which figures are available.

However, in advance of these expected difficulties, new ligures in the annual report of the Gov-erament's Certification Officer, Mr Alan Burridge, expected to be published next month, will show the financial support for Labour among union members to be de-

clining.

The total figures for all 63 unions with political funds at the end of 1982 show that 77 per cent of trade union members now pay the political levy, compared with an annual figure of 81-82 per

cent over the previous five years.

They show that 6.49m trade union members – out of a possible total of 8.43m in unions with political funds - now pay the po-litical levy, compared with 7.17m levy payers out of a possible 8.9m

The number of unions with political funds is also down by more than 7 per cept.

The report will show a decline of about 5.6 per cent in political funds income overall, from some 26m in 1981 to 25.6m the follow-

Sharp drop Grant aid for high technology set to be cut

marked for regional development

The rapid take-up of the SFI pro-

mmes money, though alarm

in one sense, is also seen as proving

that there is considerable activity in

the leading edge fields. It is also

argued that this level of activity

shows that government aid need

The Industrial Robots scheme,

funded with £10m 18 months ago, is

now considerably overspent. Its

companion programme, the Flexi-

Manufacturing accounted for 37 per cent of the book value of out-

ward direct investment, while dis-

Virtually all foreign investment

in the UK was from the developing countries. The U.S. accounted for 57

per cent of the total with holdings

Just under a quarter of inward di-

rect investment was held by EEC

In terms of sectors, manufactur-

ing accounted for almost half of the

total book value of inward direct in-

nsurance for the remainder.

not be pitched so high.

has less than £20m left.

coming year.

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE GOVERNMENT is expected to save some cash from funds earshortly to cut the grants it pays to promote high-technology industries - the sector pinpointed by industry ministers as crucial to the UK's eco-

Funds allocated for support of advanced production proces techniques have been snapped up much more quickly than had been planned, and most programmes are likely to run out of their allocated funds long before the given time

It is now almost certain that the Support For Innovation (SFI) schemes, which give a maximum of 33.3 per cent grant to projects which prove they would not go ahead without government assis-tance, will be cut back soon to a level of 25 per cent, or possibly less. The grants were raised from 25 per cent to 33.3 per cent last year for an

indefinite period. It is expected that the cuts may be announced in the March 13 budset or in a separate announcement — which received £35m over four

BY CHARLES BATCHELOR

book value at the end of 1981. This

figure compares with investment by

overseas companies in the UK of

The department's statistics in-

clude for the first time data for in-

surance companies time and cover

all direct investments by UK com-

More than four fifths of UK di-

rect investment overseas was in the

developed countries, half of which

was in North America. Just under

one fifth was in the EEC.

years at the same time - has al-ready spent some half of that. Officials believe they may be able

Investments overseas

UK COMPANIES had not direct in-

nearly £29bn, according to figures tribution accounted for 28 per cent,

just released by the Department of oil for 20 per cent and banking and

estimated at £44bn

vestments overseas worth £44bn at oping countries.

Rolls to develop engine for fighters

By Michael Donne.

ROLLS-ROYCE has begun to develop as a private venture a new en-gine for future fighter atrical, called the XG-40. It is designed for the new generation of light combat aircraft expected to enter service in

the 1990s. The venture is in parallel to work under way by Snecma, the French aero-engine manufacturer, on an engine called M-88 which is de-signed to power the French Das-

sault-Breguet Avion de Combat Ex-perimental (ACX). The Rolls-Royce power-plant is One of the oldest of the SFI chemes, the Microelectronics Industry Support Programme, has now exhausted the £55m allocated called a "demonstrator" because it aims to prove the basic concept of to it in 1978. Its companion prothe new engine before it is put into gramme, the Microelectronic Appli-cations Project which received a total of £85m to fund it to 1985, now quantity production, or instead it will be used as a stepping stone to

further developments.

It is aimed at powering the proposed Future European Fighter Aircraft (Fefa) of the 1990s. This is a plan for a European collaborative fighter sircraft for the mid-190s, between the UK. France. Italy.

Spain and West Germany. As a preliminary developm the UK - through a group of compa-nies headed by British Aerospace

and supported partly by the Gov-ernment - is developing the Experi-mental Aircraft Programme (EAP) for a first flight in 1986.

This is, in turn, designed to lead into either an all-British Agile Com-

bat Aircraft (ACA) for the 1990s or the European collaborative Fefs. The EAP itself is costing £200m

of which the Government is providing about £65m and the companie Initially, the EAP is expected to

use a derivative of the RB-199 engine which powers the Tornado fighter. But Rolls-Royce believes that an all-British technology demonstrator engine is also desirable and the XG-40 is the result. Work on the XG-40 is at its earl-

iest stages. The first demonstrator model is not expected to run on the test-bed until 1986. The engine will embody much advanced technology in new materials, turbine blade design and other areas. • Mr Norman Tebbit, Secretary for

The U.S. was by far the most important single country, accounting for a third of UK direct investment

vestment. More than half of North Trade, inaugurated on Friday a American inward investment, but less than a quarter of EEC holdings, by factory, where civil aero engines

Register water in FLES. 3. --

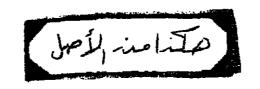
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shows 16% rise

Textile production

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YCE has begun to the

ure is in parallel to be by Spectra, the India semonstance, people in processing the processing th Eine beiore it is puting

roduction, or intel IL BE B STEPPING STEP /elopmez:s sed at bemering the be West Cermany. eliminary developme is developing the inci-craft Programme (EA) light in 1986. in Dire, designed to be an all Bruch Aglela it (ACA) for the 199kg en collaborative Feb. itself is costing the a Covernment u grad 355m ಎಚ ಜೀ ಅವ್ಯಕ್ಷಾ :D-F

à powers the Tree at Rois-Rome being British technologies in the result. of expected to be seoch an ances beam's ther areas ben Testin, Secrepti augurated on Prais ng si Tala-Royalik

March 5 1984

ivale venture a tev a future figure is a test a future figurer a test a KG-40. It is designed to meration of light const pocked to enter scripe

ised W-88 Arrier & F G Machine Contact of S OA Openity and 1884 power the Freich by test Avion de Combath is Royce power New ;

re European Fights is) of the 1990s This is European collaines, craft for the midthe CK France by arough a group clome of by British Aerosa rted partly by the fo the EAP is expense: CHINE of the RAINS

maten in ein derthe XG40 is a made The lift feroms sel 1996. The engine <u> Pagricia mirologogogogo</u>

BY MAURICE SAMUELSON THE UK textile industry yesterday crease at the end of last year sugprovided fresh evidence that it is gested that the long-term contracimport penetration.
The British Man-made Fibres

and deliveries in 1983 regained most of the ground lost in the previ-

ous year. Production rose 15 per cent (to nearly 390,000 tonnes) with deliveries rising lif per cent (to 395,000

Total employment in the artificial fibres industry was 19,120 at the middle of the year, 16 per cent less than in Jure 1982 and less than half the June 1880 level. A fractional in-

gested that the long-term contracbeginning to recover after years of tion of the workforce had stopped. For staple fibre (as distinct from filament yarn), production and de-Federation said that UK production liveries were the highest for two years, with exports accounting for

56 per cent of total deliveries. The industry's improvement is partly a result of the weaker pound, which has helped to cut imports. Manufacturers say they are also reaping the benefits of the past four years' rationalisation and re-

In the industry as a whole, output per worker is said to have risen by about 25 per cent since 1980.

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Budget likely to keep inflation fight as priority

ary edge and a series of measures tended to encourage savings and

Mr Nigel Lawson, the Chancellor of the Exchequer, may tighten slightly his borrowing target com-pared with that implied in the medim-term financial strategy. This suggested a public sector

borrowing requirement of 2% per cent of national income which will probably come to about £8% in 1984-85 on the Treasury projec-

An improvement, however, in the outlook for the economy - and for government revenues - since the autumn will allow Mr Lawson to announce a lower target without raising taxes, probably of £7%bn. Over-all, he is planning tax increases to balance concessions, in spite of his increased room for manoeuvre. The Chancellor is also likely to

emphasise the priority of the fight against inflation by announcing new figures for the medium-term financial strategy showing inflation coming down to about 3 per cent by 1987. He may extend the timescale to show a continued reduction in

covernment borrowing. The most widely expected of the neasures to help individual savers is a reduction or abolition of the 2 per cent stamp duty on share trans-actions. Total abolition would cost £300m to £400m in a full year, but it would have the double advantage of helping personal investors and making the London Stock Exchange more competitive interna-

Mr Lawson has also been looking at other possible measures, includ-ing abolition of the investment in-

THE UK BUDGET on March 13 is come surcharge, by which un likely to have a tough anti-inflation- earned income of more than £7.100 is taxed at a higher rate than

The Chancellor has also been looking carefully at ways of easing the impact of capital gains and capital transfer taxes. These measures to help savers

are likely to be broadly offset by

removal of some of the tax privi-leges of savings institutions. Build-ing societies, which lend money for house purchases, have been told that capital gains on their dealings in government securities are to be taxed as income, instead of being treated as tax-free capital gains. Banks have also been told that they will have to deduct tax from interest paid on deposit accounts, instead of leaving the customers to

declare the interest. These two measures could yield the Treasury some £200m in a full year. There are strong indications that Mr Lawson may reduce or remove the 15 per cent tax relief on life assurance premiums, with a total possible saving of about £500m a year.

The Chancellor would like to continue the shift from direct to indirect taxation. His priority for cutting indirect taxation would be to raise personal income tax allow ances by more than the 5 per cent rate of inflation.

He could raise allowances and thresholds by 3 per cent more than the inflation rate at an extra cost of about £600m in a full year.

To find such a sum, he would need to increase indirect taxes. One possibility, which he has been carefully considering, would be to accelerate the payment of value-added tax on imports. This could raise about £1.5m next year

Big rise in car output expected by Lotus

By Kenneth Gooding, Motor Industry Correspondent

LOTUS, the sports car manufac-turer founded by the late Colin Chapman and based in Norfolk, expects to produce 900 cars this year. Mr Mike Kimberley, the managing director, says it will be a 40 per cent improvement on the 642 cars made last year...

He expects about 250 to go for sale in the U.S., compared with the 180 sold there in 1983. Mr Kimberley maintains that Lotus's financial difficulties at

the beginning of last year prevented the company from inreasing output at a time when it was re-entering the U.S. market. As a result, the 180 cars were switched from the UK market and the company's sales in Britain dropped from 419 to 383, when the total registrations rose by 15 per cent.

Lotus's finances were put back on an even keel last August by a £6.69m rescue operation which resulted in British Car Auctions taking a 26 per cent stake in the sports car company. Toyota, Japan's largest motor group, took another 17 per cent.

Mr Kimberley says that Lotus is strengthening its UK dealer network. Several new dealers some associated with Austin Rover – are shortly to be ap-pointed to replace others who have left the network.

In the U.S., Lotus has appointed 24 dealers, and ultimately wants 50 there.

Lotus is involved in engineer ing projects for 16 another companies, mostly in the car indus-try, and the engineering business is growing at 20 per cent a year,

cording to Mr Kimberley.

Banks may set aside £1bn for bad debts

abroad. But their annual results due this week - will still show solid increases because of the strength of

their loan business. the third largest, which has said 1983 earnings.
Lloyds Bank, the smallest, is ex-

profits rise of about 25 per cent per cent on 1982. from last year's £323m. Lloyds, the clearers in Latin America, swallowed a good part of its bad debts in bankruptcies in the UK. 1982, so it entered 1983 with a clean-

will probably have to set aside more of about 15 per cent on the £495m be used to cover bad debts abroad than Clbn of their 1983 profits to and £439m they earned in 1982. which, Mr Reynolds says, total cover bad debts in the UK and Midland's results will be down by a similar amount from £251m.

According to Mr Keith Brown, Greenwell, the factors boosting The exception is Midland Bank, bank profits were the strength of personal loan demand in the UK, a

pected to come out on top with a to total about £1.7bn, up about 13 of the clearers, but loan losses will

But provisions for bad debts will which has the biggest exposure of be huge because of the Third World land is whether its provisions are loan crisis and the high rate of sufficient to clean up the Crocker

THE UK'S Big Four clearing banks will probably show profit increases C962m in 1982. Of this, C679m will more than the banks' profits from their international operations.

This figure includes Midland's bank stock analyst at stockbrokers £75m Crocker provision. Even without it, however, the total would be higher than the 1982 figure of

that property loan problems at rise in fees and commissions - Barclays will show the scars of Crocker National Bank, its U.S. banks raised their charges in 1983 - business loan losses in Mexico and Barclays will show the scars of subsidiary, will wipe about £75m off and the fruits of the industry's cost- the U.S., as well as bad debts in its paring drive.

California retail business. NatWest
has the smallest overseas exposure California retail business. NatWest

still show an increase, The question hanging over Midproblem. If they are, then it should Mr Keith Reynolds of De Zoete be able to share in the upswing in er balance sheet than the others. and Bevan predicts the banks will bank profits forecast for this year, Barclays Bank and National set aside a record £1.25bn to cover on the strength of loan demand and

Government faces ports row

BY BRIAN GROOM

for a row with the ports industry and other trade interests over an official report which calls for cuts in customs facilities and an increase in charges levied on traders by the Customs and Excise for providing he service.

The report on customs attend-Rayner in 1981 as part of his brief. to cut Civil Service costs. It was released for consultation only last December, after a long battle in cabinet between the Treasury and other

departments. The British Ports Association believes the report is "misconceived and misguided" and is calling for its withdrawal. It argues that the rec-ommendations would disrupt free calls for regular customs services to foreign flights – be withdrawn. withdrawal. It argues that the rec-

THE GOVERNMENT is heading competition among British ports, be withdrawn in some cases where for a row with the ports industry and damage their international the volume of traffic is so low that it competitiveness.

The association wants all charges attendance." for providing customs services re-moved as part of a wider effort to

ties - reduced. Other groups like shipowners are also concerned about these costs. The shipping industry pays the bill for pilotage (£43.5m in 1982) and

the Continent. It also wants the cost

lights (forecast at £46m for 1983 to

is grossly uneconomical to provide

Its recommendations include: moved as part of a wider effort to withdrawing passenger facilities if cut the cost of using British ports, inward traffic falls below 30,000 a which is generally higher than on year, approving no new passenger ance was carried out by Sir Derek of pilotage and lighthouse services national need; limiting hours of op-- provided by independent authorities - reduced. eration for passenger services; inties - reduced. fluencing the timing of arrivals and departures to avoid peaks and troughs; and not approving new ferry facilities unless there are no suit-

able existing ones. The report also recommends that The Rayner report says Britain of Britain's 35 international airports

Lost drug sales 'cost £100m'

By Lisa Wood

THE BRITISH pharmaceuticals industry claims to be losing about £100m-worth of sales a year to companies which buy UK-made drugs heaply in Europe and bring them back for sale in Britain.

One company, Unichem, a major chemists' wholesaler, claims this costing it about tim a month in lost

Mr Malcolm Town, owner of Maltown, another wholesaler, said the practice of parallel importing did not benefit the taxpayer because a retail chemist, buying cheaper imported drugs had no choice but to claim the agreed price from the National Health Service

Mr Town gave the example of Ventolin, an asthma inhaler, made in the UK by Glaxo Pharmaceuticals and costing the NHS £2.91 per prescription. Maltown re-imports the drug, at £1.45, from France, Bel-

gium and Italy.

A further twist to parallel importing is that of UK parallel importers re-routing drugs priced for other English-speaking markets into the UK. Adalat, a drug for treating hy-pertension, is sold by Mr Town at about half the price that the West German company, Bayer, charges

the NHS. Mr Town buys supplies of the drug from a West German Bayer supplied wholesaler who has told the manufacturer that he wants the product for a market where the company charges substantially low-er prices. The product is then re-routed to the UK. Bayer declined to comment on

Adatat.

The Department of Health and Social Security said the pricing regulatory scheme protected the British pharmaceuticals industry as well as giving the NHS drugs at a reasonable price. The department is investigating the issue of parallel imports and is expected shortly to issue new regulations which could reduce the practice.

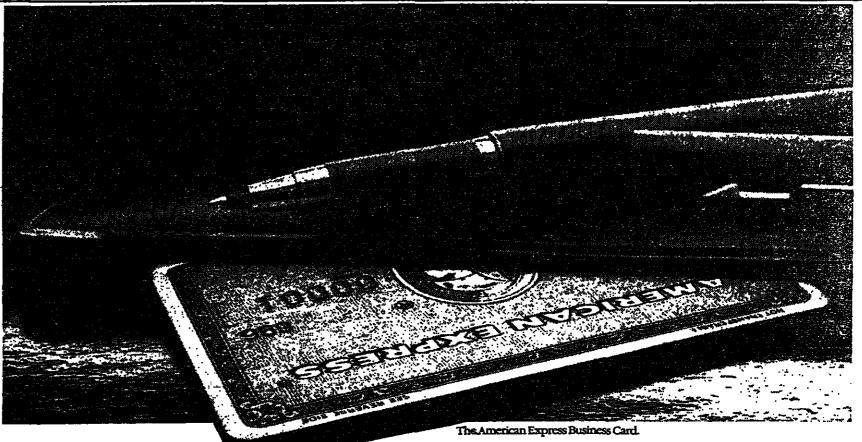
Directors stay optimistic

By Our Economics Staff

COMPANY directors continue to be optimistic about the prospects for business, according to the latest survey of its members by the Institute of Directors, published today. Just under 60 per cent of the 200 directors interviewed said they were more optimistic about business prospects than they were six

This result is similar to the findings from the two previous surveys in the series, which was launched in

October. The directors appear to have be come slightly more optimistic about the trend of profits, with a balance of 47 per cent reporting that they were better during the last six months than in the same period last year. This compares with a balance of 30 per cent in the October survey.



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Total market Total UK produced

General Motors (Yatochall-Opel)

Peugeot Group

Total Peugeot

Volvo

Fiat-Lancia

ating 1983:

Volkswagen-Audi

THE WEST EUROPEAN car market bubbled with interest last year. Three factors in par-ticular contributed to a fascin-

The bunching of major pro-

ducers at the top of the sales charts with only 1.4 percentage points separating Renault at the top from General Motors in sixth position;

The continued steep rise in the fortunes of GM, the Vaux-hall-Opel group, which increased its West European market share from 9.6 per cent to 11.2

• The recovery of Japanese sales which went back above 1m, taking Japanese share of

the market to a record 10.1 per

The Japanese performance was fuelled mainly by substantial increases in volume in two major markets: West Germany,

the largest in Europe, and the UK as well as in the Nether-

UK CAR REGISTRATIONS

1,019,749

518.048

262,141

21,342 58,183 25,751

104,684 100,727

62,923 61,250 43.08 56.92

14.63

3.57

342

Source: Society of Motor Manufacturers and Traders

7.555.027

657,533 897,494

474:192

181,737

99,932

93.213

92,435 64,147

51,707

In Britain, where an unofficial

In Britain, where an unofficial agreement restricting car shipments from Japan has been in existence since 1975, the Japanese last year benefited from the very steep rise in total car sales. The UK car market increased by 15 per cent from the 1982 level to a record 1.79m. Although the Japanese penetration eased slightly, there was a 12.6 per cent improvement in volume in Britain.

The Japanese did even better in the Netherlands, pushing volume up by 20 per cent to nearly 110,000 cars.

For Western Europe as a whole, Japanese car sales rose

by 10.6 per cent, from 955,800 to 1,057,654 last year.

volume in Britain.

57.72

30,47

17.83

11.69

3.60 1.55 6.41

5.99 5.94 4.13

3.33

3. 14

DOMESTIC General Motors Ford

Chrysler American Motors VW of America

Honda

IMPORTS

Toyota Nissan Honda Mazda Subaru VW-Audi

Lep directors move

international council of Morgan-Guaranty Trust Company of New York and recently rejoined the board of Rennies Consolidated Holdings of South Africa.

YORK TRAILERS HOLDINGS has appointed Mr James F. Davies as joint managing director. He has been managing director of Scannell Trailers and of York Trailer International.

Mr Stuart Soloway has been shoppened managing director of SHOPPERS PARADISE. The existing supermarket and superstores divisions of Fine Fare

non-foods.

At MUNTON AND FISON ABBEY LIFE ASSURANCE OF LANGUAGE O chairman. Mr Tom Wells was appointed a non-executive direcappointed a non-executive direction of this father. Mr
Andrew C. Shelley has been appointed chief executive. He was finance director. Mr Tom appointed directors of Mrs. Victoria Krickie and Mr.
Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. St. Alastair Nelson have been appointed directors of Mrs. Alastair Nelson have been appointed directors. Mrs. Alastair Nelson have been appointed directors of Mrs. Alastair Nelson have been appointed director have been appointed direc executive director. Mr Cyril Chambers has been appointed technical director on Mr Elks

Mr Jonathan Aitken has become chairman of the Middle East advertising agency.

or of SCANDURA, BBA Group

Walter Politzer in December last year. Mr Leeper joined Lep in 1973 when he opened the group's Houston Texas branch.

Mr David K. Newbigging has been appointed a non-executive director of PROVINCIAL to be the most expedienced and longest-established software will also join the board of Provincial Life Assurance Company. Mr Newbigging recently retired as chairman of Jardine Matheson and Co He is a member of the surance companies. surance companies.

RYEVES BROWN ASSOCIATES has appointed in William Gill as director/actuar He was a director of Godwin.

J. H. MINET. AND CO has appointed Mr Michael Mr as executive director of the fine arts and jewellery division. He he comes managing director of the division on April 1 following the retirement of Mr. Jos Gook on March 31.

SHOPPERS PARADISE. The existing supermarket and superstores divisions of Fine Fare appointed managing director of Group are being merged to form a pointed managing director of EXXON OFFICE SYSTEMS (UK). He was chief executive of Ansafone and prior to johing Fine Fare Retail, with overall EXXON was the managing director of Comdial UK. Eximing and operations. Mr Matthew office Systems (UK) is a wholy office for the company of Exam Office Systems (UK) is a wholy office of Company, headquartened for the company, headquartened in Stamford. Country a division of Exam Enterprises, itself a division of Exam Enterprises, itself a division of Exam Enterprises.

of CHARLES BARKER CITY.

Dr Tito Danisaccion of appointed a director of EMPIRE STORES (HEAD FORD).

金元 ひょこ ikan is ser in ्रचके । धः≍ merce Its

Mr Thomas W. R. White succeeds Mr Dermot Leeper as managing director of LEP AIR in the UK and will be based at Heathrow. Mr Leeper has been appointed president of Lep International Inc. in Canada. Mr White joins Lep from Pandair Freight where he was Group managing director for 18 years. Mr Leeper will be based in Toronto and will take over from Mr Peter Brown, who, in turn moves to take over as president of Lep Transport Inc. U.S. based at Boston. This follows the retirement of Mr Walter Politzer in December last year. Mr Leeper joined Lep in 1973 when he opened the group's Houston, Texas branch.

Mr David K. Newbigging has been appointed a non-executive pany secretary. He joins from been appointed a non-executive to the the mast experienced in the succession to Mr Ren Waittell, who has textiles subsidiary, in succession to Mr Ren Waittell, who has textiled subsidiary, in succession to Mr Ren Waittell, who has director of Scandura since 1970.

Mr Ralph Levy, having completed the handover of Dannimas to WILLIAM BAHED which acquired the business from his executive appointments with board of William Baird as a non-executive director.

SHERWOOD COMPLITER SHERWOOD COMPLITER CENTRE, Romfort, has appointed a non-executive director.

relentless progress and man-aged to push TK into fourth place—but by fewer than 1,000 registrations.

dividual markets were out of step. Compared with 1982, sales step. Compared with 1982, salesin Britain were up by 15 per
cent, those in West Germany
improved by 12.5 per cent but
France and Italy suffered declines; by 2.2 per cent and by
6 per cent respectively.
The Peugeot group's fortunes
were mixed

the largest in Europe, and the UK as well as in the Nether. The European producers also In West Germany the Japanese companies had a combined 20 per cent increase in shares won last year would last year compared with 1982. This sent their penetration of the market from 9.8 per cent to 10.4 per cent, only fraction of the market from 9.8 per cent to 10.4 per cent, only fraction of the record 10.6 per cent for 1980.

by 10.6 per cent, from 955,800 to 1,057,654 last year.

The European producers also but the dits best-ever year in 1982 to 12.5 per cent to 12.3 per cent in 1982 to 12.5 per cent with a 6.1 per cent increase in sales year companies had a combined 20 per cent increase in shares won last year by the two U.S. groups, Ford and 1982. This sent their penetration of the market from 9.8 per cent to 10.4 per cent, only fraction of the market from 9.8 per cent to 10.4 per cent, only fraction of the market from 9.8 per cent in 1982 to 12.5 per cent with a 6.1 per cent increase in market 11.9 per cent of the market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent with a 6.1 per cent increase in market group 11.7 per cent old Tannus/Cortina models by the fact that it had its best-ever year in market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent of the market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent of the market group 11.7 per cent old Tannus/Cortina models by the fact that it had its best-ever year in market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent of the market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent of the market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent of the market group 11.7 per cent old Tannus/Cortina models by the fact that it had its best-ever year in market (12.3 per cent of the market (12.3 per cent in 1982 volkswagen-Audi 11.9 per cent of the market (12.3 per cent of the m

WEST GERMANY

5.82 29.6 18.09 14.37 10.83

512,623 125,590

93,284 86,735 83,668 40,573

but the on that division which in any o shead case was struggling to stop a sarry to rapid sales decline.

countries which have their own car production, imports take at least one quarter of total car sales. In Japan, only 1.12 per cent of the market was given up to imports last year to imports last year. about 190,000 of the small cars which also opened up the im-portant Spanish market to the US group—local producers re-The struggle between Toyota

and Nissan reached a new inten-sity in the Japanese market place in 1983. Houda, however, continued its

yW model notched up sales of 153,135 and a share of 4.3 per cent.

Other rankings in the EuroOther rankings in the Euro-In Europe the major in-S3.845.

Renault, Seat the State-owned Spanish group, and Ford all lost ground to GM in Spain. Renault's share was reduced from 32 per cent to 31.1 per cent to 22.7 per cent and Ford's from 15.22.7 per cent and 15.22.7 per cent and

15.2 per cent to 13 per cent. The six major car markets were mixed illustrated here accounted for The Peuge The Peugeot marque was boosted substantially by the introduction of the 205 "supermini." But industrial disputes at the Talbot factory near Parishad a further unsettling effect

(A review of the 1983 car market the UK appeared on February 3)

	JAPAI	N		
•	1982	%	1983	% '
Domestic	3.002.950 -	98.83	3.100.475	96.27
Imports	35.564	1.17	35,336	1.12
Total market	3,038,514	100,00	3,135,817	300.00
DOMESTIC				
Toyota	1,173,850	38.63	1,247,410	39.78
Nissan	822,375	27.96	833,145	26.56
Toyo Kogyo (Mazda)	247.357	8.17	244,544	7.79
Honda	239,579	7.88	245,132	7.80
Mitsubishi	225,780	7.43	189.369	6.03
Daihatsu	76,799	2.52	112,216	3.57
Suzuki	\$1,980	2.69	90,969	2.90
Fuji (Subaru)	77.270	2.54	79,681	254
buzu	57,949	1.99	57,809	1.84
	31,777			
IMPORTS				
Volkswagen	15,076	0.49	13.227 ·	0.42
Mercedes	5,739	0.18	6,428	0.21
SHW.	5.293	0.17	6.298	0.20

FRANCE ITALY 1982 1983 1,355,097 655,789 2,010,886 1,427,008 629,482 998,459 686,121 1,684,580 30.67 DOMESTIC 804,968 39.10 704,585 Fiat Auto eugeot group: 55.40 6.60 0.90 (Fiat/Lancia/Autob 869,787 295,194 259,734 89,176 261,394 248,975 111,610 Innocenti Total Peuge IMPORTS Peugeot-Citroen-Tabo 6.50 6.00 4.90 2.50 1.60 1.60 132,815 142,453 116,446 100,986 84,916 89,189 62,445 26,232 31,630 72,276 68,503 55,371

WORLD CAR MARKETS

UNITED STATES

GM's fortunes rise in Europe

leadership it has held since 1980
by a nose with a 12.6 per cent
share—only 10,000 registrations
separated the two manufacsales of 442,663 and a share of

Motor Industry Correspondent

turers at the end of 1983. This

was in a total market which improved by 4.7 per cent from 10m to 10.5m.

Ford's disappointment at be-

By Kenneth Gooding,

6,795,302 2,382,475

841.622

74.84 25,96

44.16 17.12 9.17 2.10 0.93

5,756,660 2,221,398

530,246 470,246 365,865

163,638 150,335

113,303

42 per cent, was beaten only by the Volkswagen Golf. The VW model notched up sales of 453,135 and a share of 4.3 per

72.15 27.85

44.06 16.86 8.67

1.40

6.64 5.89 4.58 2.05 1.88 1.42 1.17 0.92 0.82

DOMESTIC

Ford Mercede: BMW

IMPORTS

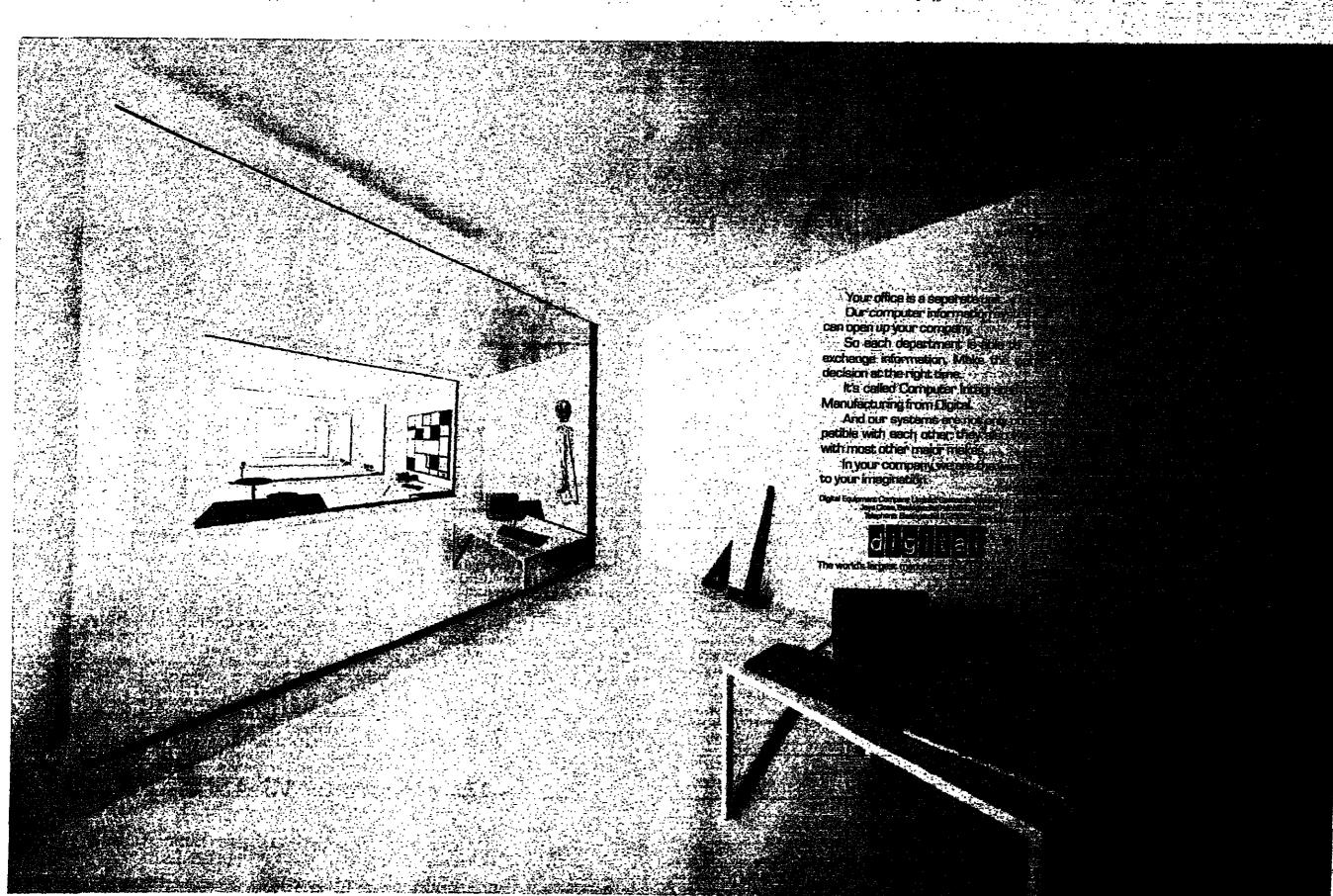
VW group Volkswagen Audi Total VW group General Motors (Opel)

Fiat Peugeot/Citroen/Talbot

Toyo Kogyo (Mazda) Toyota Nissan

ceive preferential treatment for cars they import to Spain.

	JAPAI	N			1 3
omestic nports otal market	1982 3,002,950 35,564 3,038,514	% 98.83 1.17 100.00	1983 3,100,475 35,336 3,135,811	% 98.87 1.12 100.00	S
OMESTIC oyota iissan oyo Kogyo (Mazda) onda iitsubishi aihatsu zzuki uzuki uzu	1,173,850 822,375 247,357 239,579 225,780 76,799 81,980 77,270 57,949	38.63 27.96 8.17 7.88 7.43 2.52 2.69 2.54 1.90	1,247,610 833,145 244,544 245,132 189,369 112,216 90,969 79,681 57,809	39.78 26.56 7.79 7.80 6.03 3.57 2.90 2.54	e Ctr bEFF
PORTS olkswagen ercedes MW	15,076 5,739 5,293	0.49 0.18 0.17	13,227 6,428 6,298	0.42 0.21 0.20	b



become chairman of the Middle FORD).

East advertising agency.

FIENNES, PERRY AND Mr Kenneth Ripp has been appointed a director of GROVES, increment bank, Aitken Hume JOHN AND WESTRUP (UNDER INCREMENT).

Mr Thomas Ian Campbell has been appointed managing director of SCANDURA BBA Group ment an associated company.

ISUE OF £1,2 IN out EXCH

STRUCTURES For Offices, Fectories,

CRENDON STRUCTURES LIMITED Long Crendon, Aylesbury, Bucks RPTR 988 Tet Long Crendon (0944) 209481

£8.6m orders for Sir Alfred McAlpine Group

MCALFINE OVERSEAS, a member of the Six Alfred McAlpine Group, has been awarded a \$5.5m annined by the Omani Ministry of Defence to build accommodation for the Sultanate of Omani Armed Forces at Laneau of Omani Armed Forces at Laneau of June 1 works construction of 12 mostly two-storey individual buildings, with a total floor area of 5,900 sq metres, together, with external infrastructure and services. The project as to be completed in 14 months. ione and services. The groject is to be completed in 14 months, Sir Affred McAlpine (Sudan) A.G. has been awarded a 2725,000 contract by Sudan Ren Chemical Fertilises for the con-struction of roads, disches and pavings at its Kinstown factory. The contract period is seven months.

The contract period is seven months.

The City of Binminghem has awarded two contracts, worth a total of £1.22m to Sir Alfred McAirne and Son (Southern). The first, valued at £1m, is for the education committee and involves the reorganisation and improvement of Marsh Bill School, at Hampton Road, £rdington, to four the Jonish Mason Sirtic Forra College. Work includes structural alterations to create new facilities and the upgrading of the internal and external environment of the building and scheduled for completion in 44 weeks. The escend, for the housing committee, worth £318,000, is to construct a two-stoney office block at Stonebrook Way. Weeks, Castle. The contract includes reinforced concrete foundations, brick superstructure and tile clad roof. The project is due to be finished in 27 weeks.

Stoney office block at Stoneoroot of a by-pass around the wilage way. We oley Castle. The confidence reinforced concrete foundations, brick superstructure and tile clad roof. The Hertfordshire. The works, for the first structure and tile clad roof. The Hertfordshire. The works, for the first structure and tile clad roof. The Hertfordshire. The works, for the first structure and tile clad roof. The Hertfordshire. The works, for the first structure and tile clad roof. The Hertfordshire. The works, for the first structure and tile clad roof. The first structure and tile clad roof. The maintaine of the first structure and the realigned and pass over the broken in Grays Inn Road for London and Pays Properties ways and weighbridge connecting walk-office block in Grays Inn Road for London and Pays Properties ways and weighbridge connecting walk-office block in Grays Inn Road for London and Pays Properties to be constructed by sliptorm techniques at the Blue Circle Hope Cament Works in Derbyshire, at a cost of fiscological Sciences at Keyworth (22046m). A combined development for Associated Phanes and Charlethell Properties (Warring ton) at the Cocknedge Centre in Warrington will provide an Asda of fisher. Properties works in the Cocknedge Centre in Sudding contracts have been won by CKMENTATION CONSTRUCTION, a Trafalgar

end to provide a series of dif-work to the south terminal, and ferent shaped complexes. Sites the other is for British Rail on include a paper mill at Shafton the Catwick Station concourse, and a new prison at Full Sutton. At Esher a £750,000 contract to El.2m—for its patented curtain demolish and reconstruct a road walling system. Over 6,000 and beverage areas and administration offices. TENDERS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (X).
WATLING STREET, LONDON, ECAM SAA NOT LATER THAN 10.00 A.M. ON
WEDNESDAY, THE MARCH 1884, OR AT ABY OF THE BRANCHES OF THE BANK
OF ENGLAND ON AT THE GLASGOW AGENCY OF THE BANK OF ENGLAND
NOT LATER THAN 2.30 P.M. ON TUESDAY, 5TH MARCH 1884.

CONSTRUCTION CONTRACTS

Monk to build £9m Risca by-pass

Rogerstone bypass on the A467 in Gwent has been awarded to A. MONK AND CO by Gwent County Council. The contract, to be completed in the spring of 1986, comprises construction of 3.6 km of dual carriageway from Pontymister to the Full Moon Pontymister to the Full Moon Tip, near Crosskeys. A round-about will be built at this point with a single carriageway link to the A4048 and A467 roads. This involves construction of a further 12 km of new road Monk will also construct three road bridges, three river bridges, two foot bridges and two subways. Among other contracts recently awarded is a fim project for building and civil engineering work for the BOC Group (Cryoplants) on a site at Chinnor Road, Thame.

Contracts totalling £2.5m have been awarded to DOUGLAS companies for work in the Sultanate of Muscat and Oman, and in Saudi Arabia. Douglas OHI LICE has gained two contracts, each worth £750,000, in Muscat and Oman. One is for work associated with construction of an electricity sub-station in the capital area of Muscat Douglas OHI is working as subcontractors. capital area of Museat Douglas
OHI is working as subcontractors
to GEC. The second contract is
for a store for the Roya! Oman
Police. In both cases contract
periods are of nine months duration. Al-Esayi Saif Noman
Douglas (ASAD) has been
awarded four contracts in Saudi
Arabia totalling film. These include a factory for production of
roofing felt in Dhahran, warehouses in Oaseem and Riyadh, noting feit in Diabrai, ware-houses in Qaseem and Riyadh, and reauthlement of a water bottling factory near Makkah. Douglas OHI LLC and ASAD are

HENRY BOOT CIVIL ENGIN-EERING has been awarded a £1.45m contract for construction of a by-pass around the village of Watton at Stone on the A602

ASDA superstore and shop de A total of £3.2m civil engineervelopment at £5.2m; in and building contracts have been won by CEMENTATION WYSEPIAN Bridlington, has construction industry for its two contracts at London's GatStrelink modular accommodation system. The tools link together alport worth about system. The tools link together after the tools link together on site, side by side or end to Amports Authority for extension end to provide a series of dire work to the south terminal, and ferent shaped complement files for other is for British Rall on

ISSUE OF £1,250,000,000

10 per cent EXCHEQUER STOCK

1989

MINIMUM TENDER PRICE £98.00 PER CENT

PAYABLE AS FOLLOWS:

Deposit with tender:

On Menday, Bith April 1984

On Menday, Bith April 1984

De Monday, 14th May 1984

Balanca of purchase money

INTEREST PAYABLE HALF YEARLY ON 1ST FERRUARY AND 1ST ADIGUST

This Stock is an investment falling within Part II of the First Schedule to the

Trustae Investments Art 1981. Application has been made to the Council of

The Stock Exchange for the Stock to be admitted to the Official List.

THE GOVERNOR AND COMPANY OF THE RANK OF ENGLAND are surhorised to

receive budgers for \$1,000,000,000 of the above Stock; the balance of £250,000,000

has been reserved for the National Debt Commissioners for public funds under

ir management.

If management and interest on the Stock will be a charge on the National Loans of the recourse to the Contentidated Fund of the United Kingdom.

Stock will be repaid at par on fer August 1989.

Stock will be replatered at the Bank of England or at the Bank of Ireland, lest, and will be transferable. In multiples of one penny, by instrument in ling in accordance with the Stock Transfer Act 1983. Transfers will be free there down.

Settent, and with the stock Transfer Act 1983. Transfers will be free of stamp daty.

Insurant will be psymbia half-yearty on let February and let August. Income tax with the designed from payments of more than 55 per annum. Interest warrants will be transmitted by post. The first interest marks marked by post. The first interest marks the first interest marks the stock.

Tenders mark be ledged at the Eart of England, New Issues CO, Wattley Stroet. London. EcfM 3AA not lake than 10.00 A.M. ON WEDNESDAY, 7TH MARCH 1884, or at any of the Branches of the Bank of England or at the Grandway Agency. St. the Bank of England at later than 3.20 P.M. ON TUESDAY, STH MARCH 1884, Tenders will not be revocable between 10.00 a.m. on Wednesday, 7th March 1884 and 10.00 a.m. on Monday, 12th March 1885.

The market mark the for pres appoint, and of one price. The minimum price he mark in the market mark tax mark be income in the market mark to be accepted, in 1985.00 per cent. Taxders must be market in the market mark taxders will not be accepted, in 1985.00 per cent. Taxders must be market in the market market market in the market market in the market in the market in the market in the market of 200.00 for swarp 100 of the monitor must be drawn on a bank in, and he payable in, the United Kingdon, the Channal Telendar on a bank in, and he payable in, the United Kingdon, the follows:

bridge over the River Mole for the Thames Water Authority well start shortly, and in Jarrow, a £579,000 rail bridge will be built in four months for British Rail. For the Property Services Agency, £1.1sn contract is under way for construction of steel-framed buildings at ROF Glassoed Usk Gwent. 19.7m contract to build the orthern section of the Risca and

> WIMPEY CONSTRUCTION UK has been awarded a two stage contract worth £1.3m for a supermarket, retail units and a car park in Hill Street, Saffron Walden. The part management fee contract is placed by Hunting Gate Developments, and com-prises a brick clad structural steel and reinforced concrete freel and reinforced contracts frame supermarket sales and warehouse area. Their combined area will be 2,534 sq metres with 997 sq metres of shops and a 356 space two-level reinforced concrete car park. Work has started and contract stage one is due and contract stage one is due for completion mid July 1984 and contract stage two by April 1985.

Shepherd wins £8m work

SHEPHERD CONSTRUCTION has secured contracts worth over 18m. Largest is for construction of a community bospital at Ilkeston, Derbyshire, for Trent Regional Health Authority, with a contract value of over £4.5m. The hospital will provide 92 beds together with operating theatre, and day patient facilities Shepherd Construction is the main contractor for British Telecom for the Telephone Engineering Centre at Milton Keynes. The contract value is over £1.7m. At Treforest, the company is main contractor for an officers mess, gate house and administration building at HM Prison, Cardiff, for the Home Office. The contract value is £1.6m. Site work has started and is scheduled for completion in July 1966. as secured contracts worth over

for completion in July 1986.

Three orders worth over £5.5m for re-roofing, cladding and patent glazing have been won by RUBEROID CONTRACTS. Already in progress is the re-roofing of a 27,000 square metre factory building for Ford at Dagenham worth £1.6m; about to start is a £3.5m contract at Heathrow for the British Airports Anthority's new Terminal 4 building where the sidewall, roof and soffit cladding, internal lin-ings and ceilings is being instal-led on the 16 enclosed lobbies, ramps and walkways that connect the main building with the sur-rounding 16 aircraft stands. The installation of £600,000 worth of Ruberoid Patent Glazing for the new 4,490 square metre tropical greenhouse at Kew Gardens designed by the Property Ser-vices Agency, commences mid-

the Post Office new north west district office in St Pancras Way, NWE. For a company usually associated with glass buildings, this contract is unusual in that the bulk of the infall materials will be brown and buff colour vitreous enamel insulated panels. This project will also use its re-cently introduced range of fully-reversible aluminium windows in "Post Office" red. Work starts on site in June to complete curtain walling ni six months. Main contractor is Costain Con-struction.

Contracts worth over £4m for house building and maintenance in Greater Manchester have been won by ROWLINSON CONSTRUCTIONS of Poynton, Cheshire. The largest is a £2.07m contract to build 87 homes in a clearence area for the City of Manchester. The 78-week contract has started. In North Reddish, Stockport, Rowlinson is building 63 retired people's flats under a £1.4m contract for the Johnsie Johnson Housing Association of Bramhall, Stockport. Work is expected to last 78 weeks. Rowlinson is refurbishing 41 council homes at Heaton Mersey under a 36-week, £333.500 contract for Stockport Metropolitan Council. a 36-week, £333,500 contract for Stockport Metropolitan Council, renewing kitchens, bathrooms and wiring, and adding central heating. Finally, Rowlinson has set up a house repair unit for Salford City Council to respond to day-to-day requests for council house repairs. The six-month contract is worth about £200,000.

MOWLEM industrial projects division has been appointed by Racal-Millicom to design and construct base stations for a cellular radio public telecommunications service planned to become operational during 1985. An initial two-year contract worth over £2.5m has been placed for 100 base stations.

BALFOUR BEATTY CON-STRUCTION has been awarded the following contracts: Excava-tion for and construction of a reinforced concrete basement worth £1.7m for the development worth £1.7m for the development of a civic hall, shops and offices at Redhill for Norwich Union Life Insurance Society. Construction of a four-storey office block of 2,925 square metres floor area, worth £1.4m, at Redhill for Embassy Development (Holdings). Phase I extensions, worth £138,000, to Bramley Bus Garage, Leeds, for West Yorkshire Passenger Transport Executive. Alterations to an existing office Alterations to an existing office block, worth £133,000, prior to a major development at Hatton Cross, London, for London and

HIGGS AND HILL has started work on a 23m management con-tract with the U.S. Marriott Corp for refurbishment of the London Marriott Hotel (formerly the Europa) in Grosvenor Square, Wl. The contract, including renovation of the ballroom in less than three weeks, is due for completion in late 1984. The pro-

Until the close of business on 27th June 1884, Stock issued in accordance with this prospectus will be known as 10 per cent Euchequer Stock, 1889 "A". The laterast due on 1st August 1984 will be paid separately on holdings of the existing 10 per cent Euchequer Stock, 1889 and on holdings of "A" Stock as at the close of business on 27th June 1984; consequently, interest mandetess, authorities for income tax axemption and other notifications recorded in respect of holdings of existing Stock will not be applied to the payment of interest due on 1st August 1984 on holdings of "A" Stock.

The last date for lodgment at the Sank of England of transfers for registration as "A" Stock will not be distinguished from the existing 10 per cent Exchaquer Stock, 1988. From the opening of business on 28th June 1984, the "A" Stock will be amelgamented with the existing Stock.

Tender forms and copies of this prospectus may be obtained at the Bank of England, New Issues, Watting Street, London, ECAM 9AA, or at any of the Branches of the Bank of England, or at the Glasgow Agency of the Bank of England, 18th Floor, 20 Callender Street, Belfast, ETI 58N; at Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the Bank of England, 18th Floor, 20 Callender Street, Belfast, ETI 58N; at Mullens & Co., 15 Moorgate, London, EC2R 6AN; or at any office of The Stock Exchange in the Bank of England.

BANK OF ENGLAND

THIS FORM MAY BE USED

TENDER FORM

ISSUE OF £1,250,000,000

10 per cent EXCHEQUER STOCK

MINIMUM TENDER PRICE £98.00 PER CENT

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND
J/We tender in accordance with the terms of the prespe
Merch 1984 as follows:—
Amount of above-mentioned Stock tendered for, being a m
and in a mustiple as follows:— 1. NOMINAL AMOUNT OF STOCK

£ AMOUNT OF DEPOSIT (a)

March 1884 of, or on behalf of, tandares PLEASE USE BLOCK LETTERS FORENAME(S) IN FULL COUNTY POSTCODE

9 TENDER PRICE (b)

"If you're going to do business in America, the place to start is Chicago, Illinois.''

Linton Atkinson Vice-President Crompton Instruments, Inc. A subsidiary of the Hawker Siddeley Group

Crompton instruments is a world eader in the manufacture of measurement instruments.

In the early '70's, Crompton decided to market its products in America. They went looking for the optimum location, and in 1973 opened their new U.S. facility in Elk Grove Village, Illinois, just a few minutes away from Chicago's O'Hare International

In 10 short years, Crompton's Illinois facility has tripled in size. Crompton is looking forward to a most promising future.

What brought Crompton Instruments. inc. to illinois?

An unbeatable combination of advan-

Centrally located in the U.S., Illinois offers excellent transportation connections and good communications

to the entire U.S., making it an ideal location for manufacturing, distribution and headquarters

Located in the midst of the largest consumer and industrial markets in the world, it offers unparalleled opportunities to growing companies.

Illinois can also assure you access to the resources your company will need to prosper. Coal, natural gas and nuclear power provide abundant energy. Excellent universities and vocational edu-

Illinois is coming to London

On March 19, the Governor of Illinois and his economic development staff will be holding an investment seminar on Illinois at the U.S. Embassy. If you'd like to attend, contact the American Chamber of Commerce (UK), telephone: 01-493 0381.

cational institutions guarantee ample manpower for both manufacturing and research and development. Major banking, legal, accounting and insurance firms with international affiliations are readily available. Illinois' high quality of life makes it a good place to live and work for your employees. And Illinois' strongly

supportive state government makes Illinois an ideal place to do business.

If you're looking for a place to move or expand your business in the U.S., the obvious choice

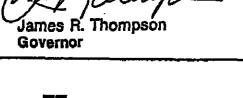


is Illinois.

To learn more about Illinois, come to our seminar to be held in London on March 19. Or contact the American Chamber of Commerce (UK), telephone: 01-493 0381, for the new comprehensive brochure, The Difference You're Looking For.



- "Crompton Instruments, Inc., a subsidiary of Hawker Siddeley, is among the 140 British businesses operating in Illinois.
- "The splendid commercial resources and central location of Illinois, combined with comprehensive business assistance programmes, provide one of the finest investment opportunities in the United States for European firms.
- "I believe the enthusiastic reception and follow-through experienced by the managers of the nearly 500 European companies now operating facilities in our state were also important reasons for their decision to invest in Illinois.
- "I invite you to consider Illinois carefully for your firm's North American location and I hope you will call on me, personally, when I can be of service to you.





Raips Levy, having the handover of he included the business for the interests in the sappointment of William Baint at the director.

A Mr David I last included and the secretary. He saw the most expense to least a last and the most expense to least ablished least and comments. accalablished released in the computer bear 1800 Linds and 50 insurance an has appointed to director/setual be setter of Godwin be

HINET AND OF Red Mr Michael Et & director of the last executery division & managing director of mon April 1 follows ment of W. John Evans by the med managing drags of the was chief for the was chief for the was the was the or of Comdial was the Systems (UK) is the structure of the stru Systems (UK) is the

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nted an associate o ARLES SARKER OF STORES (E Kenneth Ripp ha

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Technology management

Why Buffalo is back on the map

Christopher Lorenz examines Warner Lambert's revival in scientific instruments

standard laboratory micro-

happened at a plant owned by Warner-Lambert, the large U.S. pharmaceutical and medical equipment conglomerate. Just two years ago the boot was on the other foot, and its micro-scopes, once the pride of the company, were being undercut better and cheaper ones

In microcosm (as one might mann's. say), the turnaround represents the much-vaunted—but as yet largely unproven—ability of American industry to win back vital ground that it has lost to Japan. It also epitomises the importance of a difficult step along the way: combining a company's business strategy with a key element that, surprisingly nough, is frequently missing sophisticated technology which embraces development, en-

gineering and production. The strategy through which Warner-Lambert is now regaining market share in microscopes is almost entirely contrary to the one it originally planned to use, but which would have failed on technological groun's. So is its new, winning strategy in the much higher-technology market for fibre optic medical instruments copes). Different, too, is the way it is now defending its strategy and its business plans position in opthalmic instru-

roduct lines constitute Warner-Lambert's scientific equipment The unit's new strategies and actions have set it on a course where its sales two years from now (without acquisitions) are expected to be a third up on 1982's \$125m, and its pre-tax profit double that

s \$21m. Under the original plans, sales and profits were both expected to fall slightly — which would almost certainly have resulted in the division going the same way as the rest of what used

ITS HARD to imagine a fac-tory in Buffalo, on the very Between 1980 and 1985 fringes of smokestack America, Warner-Lambert divested itsel-turning the tables on the Japa-of all AO's other four units Warner-Lambert divested itself of all AO's other four units, nese and starting to make pro-which made such products as ducts which are not only at spectacles, contact lenses, sun-least as good, but cheaper. High glasses, medical monitoring technology ones, perhaps, but equipment and industrial safety not "mature" things such as products. "We were quite prepared to sell the instruments business — we see ourselves as Yet this is precisely what has portfolio managers", says Warner-Lambert's president, Joe Williams, an enthusiast for strategic portfolio planning. The es of his \$3ba corporto Schick razors, and Listerine mouthwash to chewing gum.
Until two years ago it also
owned one of the largest bakery
companies in the U.S., Enten-

> The adding of a new technology dimension to Warner-Lambert's existing business planning system and the reveralmost every type of scientific instrument, was the work of Booz Allen & Hamilton, the management consultancy. The success of the changes has leagues to give Booz Allen further assignments of a similar nature in various parts of the

> Along with a host of other consultancies, Booz Alien had worked for Warner-Lambert on a range of more conventional jobs in the past, but was first called in on what it calls a fully-fledged "technology management" project in late 1981, two years after it had gone public with a package of techniques that improve the link between a company's technology

All too often, this crucial link totally absent, claim John Taken together, these three Harris and Dr William Sommers, two of Booz Allen's senior part-"We have continually found mismatches between our clients' strategic objectives and their technological investments. sive investment, and improper (unbalanced) investment alloca-

tion are all common," they say.
"Generally, a business portfolio is product-oriented," say
Harris and Sommers. "It measures a firm's product lines in terms of market position and technology portfolio can provide importance." By contrast, a an unrealistic or distorted technology portfolio defines the picture of market attractiveness to be called American Optical, firm's various product and pro-one of the proudest names in cess technologies in terms of



Don O'Neili (left) and Joe Williams: riding high in medical

in portance to whole groups of product lines.

As Harris and Somme emphasise, the reasons for patient's linking the business and technology portfolios, and ensuring their consistency, are compel-ling. "If they are incompatible, a company runs the risk of developing a potentially attrac-tive strategy based on financial scientific instruments division. data and other business . . . information only to discover that it lacks the technology strengths needed to achieve its objectives. On the other hand, when analysed in isolation, a technology portfolio can provide

and competitive position." work in Japan;

"marketplace position" (includ- suktants were initially called ing against competition), and of into Warner-Lambert to examine its strategy for fibre optic endoscopes—long bundles of fibres which enable a patient's immards to be

examined. The dramatic results of the consultants' work then prompted Don O'Neill, president of the corporation's Health Technologies Group, to extend their work to the rest of the In each case they applied Booz Allen's standard four-part

technology planning process. • Making a technology assessment by internal and external scans of trends in all the criti-This involved extensive survey

Harris and his team of con- Developing a technology port- Friday,

folio (or matrix) to assess the company's strengths and weaknesses, explore potential alter-natives or "plays," and define Integrating the emerging logy strategy with the g business strategy,

strategy. adjustments being made on both sides using what Booz Allen calls a "commercialisation B Setting technology invest-ment priorities for each technology and each part of the

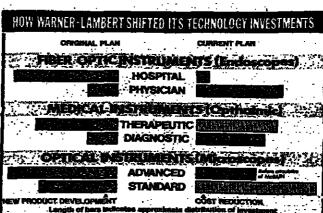
The detailed impact of the consultant's work is explained in the inset and chart (see right). One of O'Neill's vicepresidents, Kirk Merritt, says that in all the various projects their matrix work was pivotal. It gave the division tech-nological direction, especially on how to live with the It gave

Merritt admits that the Booz Allen planning process filled an in-house gap not only by examining "the competitive marketplace", but also by "directing us towards the next technological platform". Neither of these types of analysis and priority-setting is easy for a company to conduct without external help. O'Neill and Williams may be

especially enthusiastic about the success of the new endoscope strategies, but it seems to be the microscope project which has won the consultants most friends down the line at-Warner-Lambert. One executive after another praises their skill in "reverse-engineering" Japanese microscopes — stripping them down and borrowing ideas from them, in true Japanese

In terms of the ambitious complexity of the rest of Booz strategy, this was actually a pretty straightforward exercise. But as a symbol of the way Warner-Lambert is fighting back against the Japanese, it is extremely powerful. No wonder that, within the corporation's that, within the glossy headquarters in New America's "Garden Jersey, America's "Garden State", the Buffalo factory is sticks", but is now well and truly on the map. This is the second of two

technology mo The first appeared on



THE most dramatic impact of the Booz Auen work was on fibre optic endoscopes and on

microscopes.

1 Endoscopes. The market has two segments: hospitals. where the endoscope is used to penetrate deep into the body, eften during surgery, and doctors (physicians), where the performance requirements are lower as the instruments are shorter, and where cost plays a mure important role.

between the product line's position on a product/market matrix (the ubiquitous "busimatrix (the ausquitous summers portfolio"), and its place on a technology matrix. This showed that though the hospital market in itself was attractive, Warner-Lambert was not in a strong position, either technologically or in terms of market share. Especially against the competence of its main competence of the strong of t petitor, Olympus of Japan; it lacked the sophisticated tech-nology to produce long, highresolution, defect-free fibre bundles, and was falling further behind.

"This was totally contrary to the company's view," recalls Harris. "It thought it had been catching up."
Booz Allen therefore ended its client to curtail investment and with-

draw from the market. O'Neill confirms that "the company's feeling had been that we should mount a major attack on Olympus." Booz Allen led it that this would be highly unwise.
In the physician segm

the company's starting posi-tion was much better, in terms both of market presen logical capabilities. With its main competitors focussing on hospitals, the sultants advised Warner-Lambert that, through pre-emptive investment, "it could achieve business and tech-With a much reinforced

investment programme, two

new products have since been launched and "the whole strategy has been very suc-cessful," according to O'Neill. "It opened a new window for

us in fibre optics," says Joe Williams; previously all the windows had been closing. 2-Microscopes. Using the clinical products of its Austrian offshoot, Reichert, as a base, Warner-Lambert had been planning to confront Nikon and Lefty. But both competitors were much stronger, in technology as well as in market share. A comparison was made

In standard microscopes, too, Warner-Lambert had been guing for greater sophistication, while the Japanese continued to beaver away beneath it, sunexing more and more of its market with low-cost products.

Se, in advanced microscopes, Besz Allen recommended that the technology programmes of the division's existing European and U.S. companies be integrated and redirected towards new low-cost preducts. This would relieve lower technology to the cost preducts and the cost preducts to the cost preducts. allow a lower level of total investment and offer a higher potential return. To-strengthen the division's technology base, it recom-mended an acquisition; last August Warner Lambert acquired McBain, a small but leading manufacturer of high precision microscopes.

On standard microscopes the consultants recommended heavier investment, but in cost-reductions to the existing products rather than in the development of new ones. This would allow it to recoup "cost leadership' from the Japanese, and with it market hare. Warner-Lambert took the advice, reducing the number of working parts by a third, replacing some metal components with plastic, and so forth. Within six ment it was marketing a lower-co product, which has indeed stopped the rot.

Management abstracts

Negotiators abroa rem the hip. J. L. Graham + R. A. Herberger in Harvard Business Review (U.S.), July

Argues that Americans-being "competitive arguments, tive and impatient"—make had negotiators when dealing with negotiators when dealing with non-Americans, gives examples of how the "shoot-first-ark questions-later" style can create difficulties oversess; discus points to implications for negotiator training.

Quality is more than making a good product. H. Takeuchi and J. A. Quelch in Harvard Business Review (U.S.), July.

August 1983 Claims that discussion quality control has tended to concentrate on worker motivation and the production proc argues that the best products customers' perceptions of high quality or if the appropriate after-sale? service is unavailable and urges constant mon toring in fless two areas.

Istics management: J. Johnson in Business Quarterly (Canada)), Antumn 83.

the early anticipation—through scanning/monitoring—of threats and opportunities embodied in and opportunities empoused in socio-political issues, their iden-tification/evaluation/analysis by a task force; followed by the subsequent planning and inplementation of strategies. Iden-tifies obstacles and advises how tional management. -

ensions during takeovers and mergers. R. Jagelman in The Describes pension fund im-plications of a company takes over and outlines some typical pension agreements covered in a sale agreement; focuses on the impact of a takeover on past on the fund trustees.

Winning managers trust in fere-casting. A. B. Maliz in The Journal of Business Farecasting (U.S.), Autumn 83.
Explores issues which basiness forecasters must face if they are to win managements confidence—ability to make themselves intelligible, accuracy and fitting forecasts to organisa-

tional needs.

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1984

The following are a list of the proposed Energy Surveys for next year:-

Offshore Technology May 4, 1984 Biotechnology May 10, 1984 Coal Industry June 6, 1984 Chemicals

September 12,1984 **Energy Management** October 3, 1984 World Oil

November 7, 1984 Process Plant November 22, 1984 . Europe Gas Supply in the 1980s December 7, 1984

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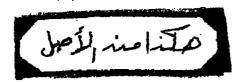
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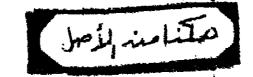
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How to cure the conference & exhibition organiser's headache.



CONFEX'84 THE BARBICAN · LONDON 21, 22, 23 MARCH 1984





THE ARTS

Jumpers/Royal Exchange, Manchester

Michael Coveney

The first major British revival of Tom Stoppard's lunatic farce Jumpers (1972), starring Tom Courtenay and Julie Walters, promised to be a major event and Manchester responded by buying up all the seats for the run (which extends until April 7) within two days of

was a little low-key as a result of giancing at a couple of grumpily unimpressed accounts of it. The evening performance however, was a delight Tom Courtenay is not delight. Tom Courtenay is not as inherently funny an actor as Michael Hordern, but he plays George Moore, the professor of moral philosophy, with superb coulc urgency and he benefits from this facture? Intimacy in the long wonderfully entertaining speeches which comprise his tortured preparation of a lecture on the subject of Mangood, bad or indifferent?" Dulle Walters as his wife Dotty, for whom the moon landings have destroyed romance, and, by extension, her career as a singer of romantic songs, is absolutely first-rate, matching eccen-

the Royal Exchange putting them on sale. Having unavoidably missed Thursday's opening my Friday lunchtime journey from Euston

March 5 1984

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A Herberger in the her Review (U.S.), at

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LONDON H 1934

Tonballe: Tonballe Orchestra cond ed by Olivier Cuendet with Dawn Reinhart trampet Mozart Haydn, Francaix and Rayel (Wed), Tric di Milano, Haydo, Shostakovich and Dvorak (Thur):

Arts Guide

BRUSSELS

Ruggiero Ricci, violin, and Roger Vig-noles, piano. Beethoven, Bach, De-bussy, Yeave and Saint Saens (Tue). Palais des Beaux Arts: Rotterdam, Philharmonie Orchestra conducted by Edv de Weart with Yu-zuko Horigome, violini. Mozart, Pis-ton, and Mendelesohn. Palais des Beaux Airis (Thur).

Music

London Philhermonic Orchestra conducted by Jesus Lopez-Cobos with Cho-Lizing Nin, violin, Mendelssohn and Brahms (Tue). Royal Festival

Hall (926 3191).

BBC Northern Singers conducted by Stephen Wilkinson with Keith Swallow, plane Schumann, Yanghan Williams, Holst and others Queen

(928,3191). (The Spm).

anden Mozart Players conducted by

Harry Blech with James Watson,

trumpet and Claude Frank; plane.

Mozart Haydn and Besthoven Royal Festivat Hall (Wed):

Liward Heath conducts the London Jean Estournet, violin, Martine Roche,
Concert Orchestra with Felix harpsichord: Bach (Thur 12.30 am

conducted by Zoltan Pesko: Rim-sky-Korsakov – The Legend of the Invisible Town of Kriege (Wed), Thestre des Champs Elysées (7234717). Orchestre de Paris conducted by Daniel Barenboim. Murray Perahia, piano: Schubert, Schumann, Ravel, Bonlez (Wed, Thur), Salle Pleyel

Williams, Holst and Omers, queen
Elizabeth Hall (Tue). (2283191).

Coull String Quartet: British String
Quartet: Series. Purcell Rooms
Rudolf Firlussy, piano: Schubert,
(9283191). (The Spm).

London Mozart Players conducted by
Watson
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(1234777).
Anne Queffeler, piano: Beethoven,
Chopin (Thur). Salle Gavean

is shot away from a pyramid formed at Dotty's post-election party. The Radical Liberals domly distributed physical

Tom Courtenay and Julie Waters

murder mystery thriller of for just at the play's climax chasm both leading actors illogical plausibility. The team when George's illustrated lecof yellow-suited jumpers are the props of a tortoise and here
logical positivists. One of them
are the victims of his own ranis shot away from a pyramid
downly distributed physical worthwhile values which have been placed under grave threat Stoppard's complex sight-gags by advances in religion and philosophy, in space and on

juster proportions than did Diana Rigg at the National have swept to power, a veteriary surgeon is appointed Archival have to be noisily trucked in bur an audience quickly adjusts to this convention and Nicholas Bytner's vigorous and the light production—one of the best at this address for some cilion. Archive (played with mexaplary charity and allows here been only by the case, both less of faith, or the quest for God, however you care to look of a dermatologist lover sophy in a cascade of wit while simultaneously developing a demise is rationally accounted the local played with means the play with specials where the play with sorphy in space and on the play with means the band, her break to the in-the-round treatment, but they may surgeon is appointed Archival to prove the greatest challenge to the in-the-round treatment, but they may surgeon is appointed Archival to prove the greatest challenge to the in-the-round treatment, but they may surgeon is appointed Archival to prove the greatest challenge to the in-the-round treatment, but they may with most of them and drives the evening of them and drives the evening the in-the-round treatment, but they result to the in-the-round treatment, but they may with most of them and drives the evening of them and drives the evening the in-the-round treatment, but they have to be noisily trucked in, but in the play with the times, and the band, her break town of them with the times, and the band, her break own relieved only by visits to this convention and the band, her break to the in-the-round treatment, but they they descends on a silver stanged that man and drives the evening of the mand drives the even

Orpheus and Eurydice/Leeds

Max Loppert

The virtues of Opera North's frelicity Palmer undertakes on Saturday, are very largely musical, The edition of this musical countries of the entirely satisfactory for her, low phrases of opera chesen here was, disappointingly, not Glock's pure, appointingly, not Glock's pure, short original (Vienna, 1762) her compass. But her distinction as a performer of classical transformed into female alto the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividiness of vocal and physical to the intentions of Berlioz, ensures a special vividines of vocal and physical to the intentions of Berlioz, ensures a special vividines of vocal and physical to the intentions of Berlioz, ensures a special vividines of vocal and physical to the intentions of Berlioz, ensures a special vividines of vocal and physical to the intentions of Berlioz, ensures a special vividines of vocal and physical vividines of vocal and physical vividines of vocal and back again; her delivery of the Act Orpheus versions are hard to be the properties of the intentions of Berlioz, ensures a special vividines of vocal and physical vividines of vocal and physical vividines of vocal and physical vividines Felicity Palmer undertakes able; here, a rough-textured tere her first Orpheus. The space lined with inscribed slabs

the task with a blend of naturals a young soprano who lights up ness and stylistic sympathy that the stage with every gesture, succeeded in solving almost and though her voice is not every musical problem.

The secret of successful in a way that avoids all sug-The secret of successful in a way that avoids all sugGluck conducting lies in the gestion of the lachrymose.

(She cedes her Elysian Fields a revival of Strange Interlude ring Patricia Hodge, Oliver restrictly inevitable in dramatic Cupid—or "a young stranger" context, that allows words and size becomes here—is pure and music to breaths with both the suggestion of timbre.

All CALLC HCWS III OFICE

Glenda Jackson is to star in ville Theatre on April 4. Starring Patricia Hodge, Oliver of Strange Interlude ring Patricia

quick sentience and the ampli- bright of timbre, sudden of phrasing they properly. All this, and Andrew Porter's require. On this showing, Mr. admirably skilful new English Lloyd-Jones possesses that translation, are the raw command; whatever may have material for what might have been taking place on stage, and been a bold, fresh, and undespite the decision to play the cluttered account of a work that work without break, musical for all its fame and population interest, and proposed to interest and populate.

pears each Friday.

Schmidt cello Mozart Tchalkovsky and Beethoven. Barbican Hall (Wed). (6388891).

PARIS

Orchestre Colonne conducted by Kurt

Redel, Colonne Orchestra Choir con-

ducted by Jean Sourisse: Haydn's Creation (Man), Salie Pleyel

(551 0630).

Germ Gould, piano – projection on video screen of B. Monsaingon's film: Bach (Tue), Salle Pleyel

nble Orchestra de Paris marks

the 19th anniversary of Darius Mil-haud's death: Milhard, Liszt, Beathoven (Tue), Salle Gaveau

(583 2030). Wilhelmenia Pernandez, soprano: Classical music and Spirituals (6.30

pm Tue and Thur), Thestre de la Ville (2742277). Neuvel Orchestre Philhermonique

(561 0630).

Theatre news in brief

bridge and James Hazeldine. Strange Interlude opens at The Duke of York's Theatre, London,

Richard O'Sullivan Tim Brooke-Taylor and Bernard Bresslaw take over the leading

March 2-8

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

Three one-man plays by the actor Jack Klaff are being presented at the Donmar Warehouse until March 10. Cuddles, a play about relationships between men and women which won a Fringe First at Edinwith winding break, master for all its tame and popularity interest was never allowed to notoriously resists complete flag nor the orchestral tone to theatrical success. In Philip flag nor the orchestral tone to theatrical success. In Philip roles in Run For Your Wife at the Criterion Theatre from simplicity of Ginck's invention his own designs, that success stunded as it always should is kept tantalisingly out of Contain the theatre, quite often reach. As in every prowse doesn't, the product of revo-staging I have seen the visual lungary genius.

A new play by Michael Frayn, African politics, is also being presented. burgh in 1982, and The Fifty

New Galileo/Apollo, Oxford

Clement Crisp

the London Contemporary gradually cross the stage and Dance Theatre was on view in we also become aware that the Oxford during the latter part gantries are oh-so-slowly separating to widen the central dance area. This imperceptible Apollo Theatre stage suits the mechanical action is matched by

be guided.

Like much of Miss Davies'
choreography, New Galileo has an air of intellectual calculation

by Eleanor Alberga.

The choreography sometimes reflects the music's ostinato through the dry and exhausted and air of intellectual calculation and of precise judging of dynamics. Her fine-tuning of spatial right considerations is also clear in the design and lighting by David Buckland and Peter Mumford, who have divided and illuminated the stage as three lateral controlled sections by means of two spidery gantries carrying light battens, with behind them skewed panels male solos, which show a dancer in a studio, final reunio which show a dancer in a studio. which show a dancer in a studio, some birds, and what might be the top of a crème brulée, all gradually focused during the course of the dance.

At curtain rise the stage is divided, Gaul-like, in three equal parts with Jonathan Lunn alone in the central section. The developing action finds the seven other members of the cast—four couples, in effect— tance during LCD first dancing only on stage right, at Sadler's Wells.

Siobhan Davies' new work for until the movement's patterns

piece, for an undercurrent of the gradual shifts of the minits plotless action seems the malist piano score — John way a dancer occupies space, Adam's Phrygian Gates—whose how movement may spread or quick finger patternings suggest contract, intruding into areas of Czerny or Kalkbrenner having a others activity, and how our per-ceptions about movement may board, and are superbly played

> procedures of post-Cunningham rigour (that curse of the British dance avant-garde), but like the note-clusters it spreads and gains energy. New Galileo remains until the end a work of controlled and sometimes cerebral effects, but these are of increasing power, and the four male solos, which presage the final reunion of the dancers in lines of sweeping movement are very impressive, and very im-pressively done by Jonathan Lunn, Darshan Bhuller, Michael Small and Patrick Harding-Irmer.

I did not suppose that New Galileo would yield up its secrets at a first viewing: I look forward to renewed acquaintance during LCDT's May season

Power of Darkness/Orange Tree

Martin Hoyle

Originally banned by Tsarist ground to the baby's murder Russia, Tolstoy's best-known emerge as no more than turns play boasts at least two scores by character players as spine-tinglingly tense as any in European drama in the past

mother contemptuously

and the off-stage wedding cele-bration that forms a back-

Anthony Clark's translation is vigorous, even on the dangerous century.

In one, a dying farmer begs forgiveness of a worker he has treated harshly. The youth is Lachlan brings off a funny the secret lover of the farmer's exposition of how capital and with real control of the farmer's exposition of how capital and with real control of the farmer's exposition of how capital and control of the farmer's exposition of how capital and control of the farmer's exposition of how capital and control of the farmer's exposition of how capital and control of the farmer's exposition of how capital and control of the farmer has been dependent of the farmer has been dependent on the tangerous ground of folk wisdom and the farmer has been dependent on the tangerous ground of folk wisdom and control of the farmer has been dependent on the tangerous ground of folk wisdom and control of the farmer has been dependent on the far

the secret lover of the farmer's wife and is overcome with remorse and pity. Neither man realises that the landowner is the victim of poison administered by his wife and provided by the boy's mother, a rapacious crone with plans for her son's in the climatic sequence. The thought of opera recurs in the climatic sequence, brutally cathartic, when the young man crushes a new-born infant to death with a plank and is urged to bury it in the cellar by the two women. Haunted by its wailing and the sound of its "little boues crunching," he collapses into anguished impotence as his mother contemptuously cheulders the heavel to dig the seep smartly knowingly at her colleptance with readily and interest make the peasant world interest

near-simpleton stepdaughter, cleft palate much in evidence as she snarls knowingly at her boll herself.

At the Orange Tree, Sam ively confirms the impression walter's direction could throw she made recently in Night-shade's funereal goings-on at cal sense of irony into sharper the King's Read. And Garry relief—the intrusive visit of a reliable to the shade's funereal goings-on at the shade's funere taking the sins of others upon himself, is entirely worthy of

Architecture

Lionization and the price of fame

Heinz Gallery, in Portman Square, plays host to an exhibition of work by Michael Graves. Though there are models, line drawings and some plans, the large part of the ex-hibition consists of misty, coloured pencil drawings displayed in a gallery specially transformed by Graves into a suitably tonal setting.

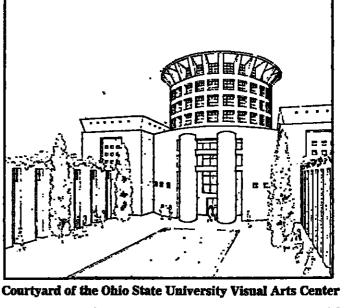
Michael Graves is something of a phenomenon: he is the architect as superstart and also the man who made the architectural drawing as "collestible" in that awful American term.

Whether as erudite, not to say recondite, professor, painter say recondite, professor, painter and furniture designer, or practising architect, Graves Is very closely watched indeed. His kind of stardom may bring acolytes, not bodyguards, disciples, not fans, but in most respects it is not so far from other forms of fame. Now attention focuses on him with particular reason; he is, at last, building large schemes and quite a few of them. Several of them feature in the exhibi-tion although it takes a considerable mental effort to con-nect these vaporous images with the activity of construc-

These dainty drawings are both self-conscious art object and diary—and in the latter case very much for publication. It is via his drawings, and the strength of his reputation as an intellectual architectural academic (to have truebus property). demic (he has taught at Prince-ton since 1962) that he became

widely known particularly from the early 1970s. The two activities link his penchant for elaborate art historical references: in the early 70s the vocabulary was Cubist (the cubism of Juan Gris, revealingly, rather than that of Braque or Picasso) but more recently he has dived

headlong into classicism, in particular Mannerism, with wiffs of the Egyptian, of the arcadian. even of Mussolini's EUR enlivening the mixture. These drawings should not however, magple their sources and tasteful their presentation,



be underestimated. Across the architectural schools of the U.S. and Europe a swathe of students learned to draw up their schemes the Graves way while, with his example, among others, to hand, self-tyled Postmodern architects have tolers in the control of the complete of modern architects have joined hands around the world to produce a plethora of Gravesian detail—pergolas, lattice gridded door and window details, Man-nerist inversion of the classical repertoire (with the keystone supreme) and much more, Architectural lionisation is, un-less you follow the example of James Stirling and keep your head well down, a terrible fate. The question, elegantly and justly raised by Vincent Scully in his assay in the recently published Graves monograph, is whether the desires for both allusion and illusion can provide

attunded to theatrical optical effects and illusion." But in his

view, faced by Graves' first com-

which most closely parallels the Portland building is the 27-storey Humana building in Louisville, Kentucky — now under construction. Won in compaction with Norman Festion petition, with Norman Foster placed second, it is hard to avoid seeing a formula emerging — the ritual dance around the entrances, the uneasy tinker-ing with parapets and skylines, sections of the skin peeled off or architecture convincing at the level it will be experienced by its users. Scully found the work of the 1970s "a little sad...

hard to agree.

Much more telling, for an architect who looks to Italy for what he terms "archetypical is the Visual Arts Centre for Ohio State University, Columbus, Ohio. This is centred on a great rotonda, a drum which is both focus and formal entrance and Theorem 19 June 19 Ju

In the exhibition the scheme

axis. Was Graves looking at the Pantheon, Roman tombs along the Appia Antica or was it to France, with Ledoux? It is an irresistable game; but here the references and the arrogance pay off. It is a scheme of substance and suggests the kind of exprises the suits a cultural of gravitus that suits a cultural shrine of middle America. Little else in the exhibition compares with it, as architecture — or as expression of language of Michael Graves.

At Vassar he has failed to deal with the existing collegiate Gothic, adding an awkward block for the Art History Department which looks acci-

Department which looks accidental, a mistake. Elsewhere there is a Pompeian-style Environmental Education Centre, in New Jersey; plans for four Schinkelesque town houses in Cincinnati; the refronting of a Tokyo department store and a vast riverside commercial development in San Antonio Teves Antonio, Texas.

The Graves office is working flat out Just a few years ago it handled small, mostly

hard to balance the weighty reputation of the architect against the scant evidence on the ground. Now all is reversed. Somehow all that theory has to be borne out in practice. Graves has undoubtedly and valuably animated the architectural discussion, inspiring strong ings to polychrome reality, it is reactions, but he begins to look like a one-man Battle of the Styles and the loss, I fear, will be the reputation of Michael Graves.

Russ Abbot's West End debut

The TV comedian Russ Abbot is to make his West End stage debut in May when he stars in Simon musical Little Me He will play eight parts in the musical, which tells the story of

Enslaved by Dreams/ICA

Michael Coveney

all year was Monstrous Regi-ment's Wild West Calamity in and 3 pm), Saile Chopin-Saile Pleyel (561 (630). Kilburn, but the same company runs it a close second with this lumpen, intellectually arid and physically inept piece about Florence Nightingale. It is clear no one involved knows how to take a pulse, or can be bothered to explain to an audience who Sidney Herbert was, or can—and this is the astounding news—even work up any sort of animated res-

The worst show I have seen

New York Philharmonic (Avery Fisher Hall): Gunther Schuller conducting, Sot Greitzer violin, Stamitz, Schuller, Tchaikovsky (Tue); Rafael Kubelik conducting, All-Smetana programme (Thur); Lincoln Center (8742424).

Boston Symphony (Carnegie Hall); Seiji Ozawa conducting, Maurizio Polimi plano. Mozart, Schoenberg, Strauss (Mon). (2477459).

Guaraeri String Quartet (Alice Tully Hall); Andre-Michel Schub piano. All-Franck programme (Wed, Thur).

Lincoln Center (3621911). ponse to the feminist heroism of the great lady beyond a routine snigger at her concern for the military in India.

WASHINGTON

stional Symphony (Concert Hall): Yehndi Menuhin conducting, Anton Kuerti piano. Elgar, Chopin, Tchai kovsky (Tue, Wed mat, Thur). Ken nedy Center (2543776).

CHICAGO

Chicago Symphony (Orchestra Hall): Leonard Slatkin conducting Radu Lapu piano. Ravel, Carter, Beethoven (Thur). (4858122). PHILIPPINES

Masile: CCP Main Theatre: Philippine Philhermonic Orchestra and Philippine Madrigal Singers conducted by Francisco Fahciano. All-Tippett programme with the piano concerto conducted by the composer, soloist Carmencita Sipin-Aspiras. (Wed).

fixed setting mumbling banalities. Chris Bowler, who has devised and directed the piece, dampens your spirit from the off. The three girls arrive in

a dead march carrying candles. Gemma Jackson's design is a cut-out room with beds and a writing table.

In blue, Sally Cranfield represents the young Victorian bust-ing out of repressive corsets to a career in nursing. In grey, Tamsin Heatley is a prim caricature of the Crimean heroine, slopping out buckets and button-holing members of the audience cream, Celia Gore-Booth is the The format is the same as in crotchety, bed-ridden old lady, Columity: three actresses in a bossing everyone around to the

laughably primitive choreog-raphy, numbling over beds and combing each other's hair, that sort of thing and perform the odd Victorian parlour song, Fleeting references to the Barrack at Scutari or the catastrophic conditions endured by the soldiers are not allowed to interfere with the overall mood of incompetent miasma. It goes

last. The trio execute some

without saying that Monstron Regiment has nothing of note the show as nothing so much as a rather bizzare form of

Lontano/St. John's, Smith Square

Andrew Clements a partial exception must be

The concerts put on by the Society for the Promotion of New Music are inevitably hitmade for Richard Hughes' Summer Grasses, a haikuinspired efforescence for and-miss affairs; were the proecedings any more predictably accomplished (or predictably awful) they would rapidly lose their savour. Yet Wednesday soprano and a Boulezian ensemble of 'spiels and 'phones: harmonically lucid and embedding a pleasantly contoured vocal line in its glistening textures. But in Erika Fox's night's Lontano programme was perhaps less satisfying than many and what interest there Quasi una Cadenza for horn, was lay chiefly in the two clarinet and piano I could find "revivals" of pieces by more little but self-conscious posturor less established composers. Among the three premieres The fibrous core that seemed

to be lacking in all three new works was well to the fore in Avril Anderson's The Grass Harp, first performed in 1979. Indeed muscularity proved to be its leading virtue; the acidic combination of flute, oboe, clarinet and trumpet (an ensemble once contemplated by Webern) gives an incisiveness to the many layers of ostinato that make up the piece, though the promise in the opening pages of fierce new textures is never quite delivered.

The Mikado/Old Vic

B. A. Young

Avon Theatre in Stratford, Ontario, 18 months ago, and it has been running on and off ever since. It is one of the prettiest Gilbert and Sullivan productions I have seen, played on a plain stage against a black background. Stagehands come on now and then to place some fresh bit of furniture, principally a set of low platforms of varying heights that can to say about the nursing profes- make a pathway for a stately sion or the fate of contemporary entrance or display a soloist. Nightingales. Nurses and and sometimes a more func-feminists might, indeed, regard tional item like a bonsai tree grown to adequate size. The costumes, designed by Susan Benson, are the usual mock-Japanese in style, but richer and more graceful than we generally see. Miss Benson, with Douglas McLean also designed

are not Japanese but D'Oyly couraging appearance Carte enriched, and the Katisha,

I saw this production at the tumblers and Katisha's lion-dogs

The company are for the most part stronger at singing than at acting; the songs are tunefully sung, and the words are all clearly sounded, even if some of Gilbert's subtler jokes aren't attempted. John Keane as

Marie Baron's Yum-Yum is all one would ask. The patter songs written to include such topical subjects as the return of the Elgin Marbles; by the end of the week John Banks, who does these things, will doubless have found a rhyme for GCHQ.

The most genuinely three dimensional comedy playing is from Richard McMillan as Pooh-Bah, which is original and thoughtful. But he has let it go to his head, and even works away during ensembles and From time to time, the black disturbs the equilibrium of is relieved by a superimposed Brian Macdonald's choreo-pattern — a fan, that unfolds graphy, mostly so attractive. during the opening chorus to (Mr Macdonald is also the remind us what country we're director.) Eric Donkin, as in, some trailing garlands of Ko-Ko, is another player whom flowers, or a big circle that is I know as an actor; he is more the sun when Yum-Yum sings of restrained. He spurts out his it, and magically turns colour to be the moon for the second looks sweet singing "Tit-willow" verse of her song. There is no from the bonsai tree. Avo Kitreference to the patterns of the task makes a suitably impres-Noh or Kabuki theatres; indeed, sive entry as the Mikado, and strictly speaking, the designs Christina James a suitably dis-

FOREIG

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Monday March 5 1984

The Airbus example

the new 150-seat airliner, is sometimes seen as a model of European industrial collabora-The consortium, in which France, Germany and Britain are the biggest partners, has won a respectable share of a market traditionally dominated by the U.S. Yet it is doubtful whether the formula can or should be applied to other sec-

The manufacture of large civil aircraft, involving very high initial investment and a long payback, is exceptional even among high technology industries. Moreover the pooling of technical and financial resources, reinforced by govern-ment subsidy, has not solved the European industry's basic prob-lem vis-d-vis the Americans—its low volume of production. Long production runs give the Americans, especially Boeing, economies of scale which are extremely difficult for the Europeans to match unless they can secure a sizeable share of the U.S. market. That is why the Airbus investment is so specu-lative and why the bulk of the

The British and other Euro-pean governments evidently want to preserve their civil aircraft industries for non-commercial reasons, but that is not an appropriate policy for industry in general. The objective should be not to substitute the judgment of governments for that of the market, but to create the conditions in which European companies can achieve the economies of scale necessary to compete inter-nationally at a profit.

Opportunities

It is striking, for example, that in telecommunications particularly public switching equipment, where European industry is relatively strong—the volume of intra-European trade is very low. Companies like CIT-Alcatel in France and Plessey in the UK have to look for exports outside Western Europe competing against Japanese and American companies which have the benefit of large and homogenous home markets. The UK and France are discussing a partial is less glamorous the opening up of each other's in airliners, but the markets, but the prospects look likely to be higher.

AIRBUS INDUSTRIE, which much more promising in the last week gave the go-ahead for U.S., where the break up of the new 150-seat airliner, is American Telephone and Telegraph has created new oppor tunities for equipment sup-pliers.

pions." whose commercial free ations of national prestige. Thus Olivetti in Italy and Philips in Holland find it easier to forge links with AT & T than, say, with a French nationalised concern which is inevitably subject

Initiative

together with the push into Europe by IBM, AT & T and others, has revived fears of technological dependence. One stimulate inter-company cooperation in research, partially funded by governments. The recently-launched Esprit programme, covering research into advanced computers and other forms of automation, is seen as an important Community initiative in the field. But cooperative research will be of little value unless the products that result from it have access

to a large, open market. The emphasis of industrial policy in the Community needs to shift from big companies and big projects towards identifying measures which promote technical advance at all levels of industry. They include harmonisation technical strative barriers to trade, encouragement for venture capital and increases in the supply of skilled manpower. a European counterweight to IBM, but an environment in which annovators of every shape and size can flourish.

A more open, competitive European market in high tech-nology industries would upset are used to a privileged rela-tionship with their home away at these barriers to trade is less glamorous than investing

Brazil's choice of president

BRAZIL'S presidential elections party is badly split and there are not due until January 1985. is no majority backing for any are not due until January 1985. On paper this still gives President Joao Figueiredo a reason-

he is on the way out and suffering from ill health has begun to create the impression of a lame-duck administration. President Figueiredo seems to have lost the stomach for firm govern-ment and this has intensified the pre-electoral politicking in which he too is embroiled. Given that the presidential

elections will determine the path towards a full return to democracy, it is natural that the country should now become absorbed in its own political affairs. The elections are after all an essential element in the military's plan gradually to hand over to the politicians the control which they assumed by their intervention in 1964.

Nevertheless, the interna-tional banking community, to whom Brazil owes more than President Figueiredo accepting \$90bn (£60.8bn), can scarce legislation which changes the observe this process with total ease. For if the Figueiredo administration becomes paralysed by the elections, then Brazil's capacity to implement the IMF programme (on which in turn commercial bank lending hinges) is bound to be affected. As it is, the inflation figures for the first two months of the year are far higher than expected; and this could jeopardise the achievement of the first quarter targets.

Original aim

and the military who still sit in judgment behind them—can also help. At this stage the single most important issue to clarify is the electoral process of "arbertura," the opening up of

one candidate. The divisions are more about Shipbuilders'

dent Joao Figueiredo a reasonable run to implement the
economic policies agreed with
the International Monetary
Fund last December.

However, the knowledge that
the is on the way out and suffera fresher image. At present the front-runners are Sr Paolo Maluf and Sr Mario Andreazza, both of whom fit into the former mould. Yet a strong minority, including several state governors, has swung behind the candidacy of the current vice-president, Sr Aureliano Chaves.

Vociferous

Sr Chaves, realising that his presidential hopes are limited under the existing rules, has come out in favour of direct elections that would by-pass the electoral college. His espousal of direct elections has added a weighty voice to the opposition's Day. Chapman's job will be increasingly vociferous campaign against the electoral colducts and sales strategy to

There is nothing to stop the industry. electoral procedure. He could get such legislation through Congress but there might be a tough battle in the Senate. More importantly, he risks upsetting his own generals who endorsed the "indirect election" procedure as part of the gradualist return to democracy. The military's main fear is that direct elections could encourage anarchic populism of the very kind that provoked their inter-vention 20 years ago. They also look askance on the prospect of a left-wing candidate succeed-While Brazil deserves a ing—a possibility which cannot measure of understanding from be excluded given the pretents international creditors as it sions of the governor of Rio de tries to sort out its political Janeiro, Sr Leonel Brizola. Last week the military publicly

So far the Brazilian authorities have handled the process of single most important issue to clarify is the electoral process itself.

The original aim was to let the new president be chosen from the 668-member electoral. It may be that to speed up the college in which the ruling process by opting for direct Partido Democratico Social, elections next year would create PDS, has a built-in majority. Electing the new president But the President needs to act would have been a relatively smooth process provided that the PDS could agree on its candidate. However, the ruling debate to a dangerous degree.

The fragmentation of national markets is aggravated by the tendency for European govern-ments to foster "national cham-

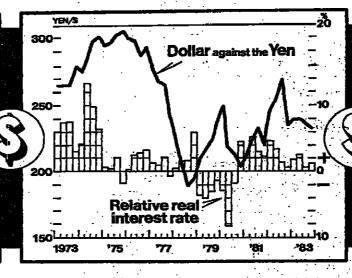
This combination of factors

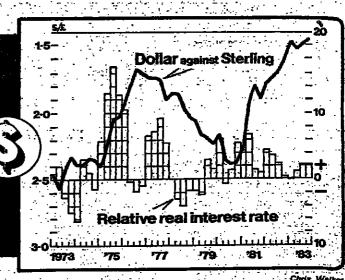
The current bout of worldwide powerful interest groups which governments; defence procure-ment, an important source of technological advance, is an obvious case in point. Chipping

new salesman

Nobody looks more thoroughly at home in the hurly-burly of

Dollar against the D-Mark Relative real interest rate





When the dollar loses its shine

strutting across headlines for three International Public Enemy Number One, the mighty U.S. dollar appears to have been ambushed at last by the world's foreign exchange foreign

The dollar's assault on the DM 2.85 level in January was simply too audacious and the subsequent retreat of nearly 10 per cent in the dollar-D Mark exchange rate has exposed the U.S. currency's vulnerability. If the dollar falls convincingly through its next resistance point at around DM 2.58, the turn in market sentiment could be decisive and long lasting. Yet there are few signs of rejoicing about the dollar's fall in the central banks of Europe and Japan, and even less jubi-lation in the world's stock markets. From Tokyo to London, share prices have fallen "in sympathy" with the set-backs of the dollar and Wall

This may seem odd since the strength of the dollar has been blamed repeatedly in recent years for decisions to tighten monetary regimes in West Ger-many, Japan and France. And the lure of America's ever-rising currency, backed up by its high interest rates, has been denounced repeatedly at international economic summits for starving the world's other

economies of funds. But now that the surge in the dollar may be about to reverse itself, it is much less clear cut than it appeared at Versailles or Williamsburg whether a weaker dollar will aid world economic recovery or obstruct

nervousness about what life may be like with a weaker dollar is more about the style of the dollar's decline than about the fact that it is falling. It is still generally believed that a weaker iollar will reduce inflation rates in most countries because it will bring down oil and commodity prices.

To the extent that this is

true—and experience of the past few years suggests that the dollar prices of most commodities and even oil are fixed only in the short term, before they dollar's exchange rate - the of the dollar could increase growth rates in some tries by leaving more headroom for real activity within any particular monetary targets.

But nowhere in the world would a weaker dollar be an unmixed blessing. For Japan and the Pacific Basin it could mean a big drop in exports or, more likely, in exporters' profit margins. For Europe, which does much less direct trade with the U.S. than Japan, a lower dollar would

still mean tougher competition from U.S. companies in third country markets. For the strug-gling debtors of the Third World, the dollar-denominated debt burden would be reduced, but so would the rewards from burgeoning exports to the U.S. market, while imports, which come predominantly from Europe and Japan would become relatively more expensive.

Ironically, France, which has been the strong dollar's most vociferous critic, could find its leeway to cut interest rates restricted even further now that the dollar is falling. For the government must prevent the franc falling against the newly-popular D-Mark within the European Monetary System. In Britain, by contrast, the dollar's decline could facilitate lower inrates, since the governm welcome the pound weakening against the European currencles, while maintainin parity against the dollar. while maintaining its

However, the worries about recent events in the foreign exchange markets do not concern such quibbles. The real fear is that instead of a gradual "soft landing," the dollar could all too easily suffer a rout, with possibly disastrous conse-quences for interest rates, inflation and growth in the U.S., which could spill over into the rest of the world as happened after the dollar's 21 per cent fall against the D-Mark in 1978-79. If assessing these fears about

a collapse are justified it is not enough merely to observe that the U.S. currency is vastly overvalued—33 per cent higher, in fact, than its average value between 1973 and 1979 against the currencies of U.S. trading partners, adjusted for inflation. If this is indeed the beginning of the long-awaited bear market in dollars, the key to future developments must lie in the new trend's causes. A search ting that there is, in a sense, no such thing as an over-valued currency in a world of floating exchange rates and free capital movements

The real fear is that the dollar could suffer a rout, with possibly disastrous consequences for interest rates, inflation and growth in the U.S., which could spill over into the rest of the world, writes Anatole Kaletsky

whatever level will persuade in- in U.S. interest rates. The most vestors, speculators and central bankers (if they choose to intervene in the currency markets) to buy the surplus dollars offered the world that day as a result of the U.S. current account deficit.

The first canard to bury is that the world could refuse to finance an excessive U.S. current account deficit, for however many dollars there are on offer, somebody will buy them. If there are not enough buyers at DM 2.60, then the dollar will drop to DM 2.59 or whatever level is required to that day's dollar demand and supply.

This daily exchange rate obviously depends on two fac-tors—the return available on dollar securities and the size of the current account deficit which has to be financed. There is another equally critical influ-ence—the balance of expectations among investors about which way the dollar will move next. This third, psychological, factor is affected by the level of interest rates—particularly its real interest rates, adjusted for inflation (as shown in the charts)—and by the prospects for the current account.

It can also develop a life of its own, particularly if perceptions about a country's inflation or its political stability deteriorate. As we shall see, this third factor of "confidence" is not, in the present

optimistic projection was that interest rates would fall as, a result of actions to cut the federal budget deficit. Failing this, it was hoped, most notably in the Federal Reserve Board, that the U.S. economic recovery-would grad-

ually slow down from its torrid annual growth rate of 6 per cent nearer 3 or 4 per cent. This slackening would bring down interest rates, while raising the pressure on politicians to address the budget deficit issue after the November elections. The dollar would fall in response but only gradually, since the slower growth and prospect of budget action would

reduce the magnitude of the current account deficits which had to be financed in the future and would reinforce confidence in the U.S. economy.

Perhaps the single most unsettling development of the past few weeks for the foreign exchange markets is that this popular scenario for a "soft landing" has been turned on its head — the dollar has fallen as U.S. interest rates have risen and fears about the budget deficit have grown. Thus the markets are being

forced to consider the second possible explanation for a fall in the dollar—the level of the current account which will need to be financed in the years ahead is being pushed up by the strength of economic re-

foreign ones, sending the cur-rent account still further into-deficit, unless the dollar falls. Until recently the possibility that the dollar could fall as a result of excessive economic growth did not cut much ice growth did not cut much less in the foreign exchanges because of a vital caveat. The conventional wisdom held that if an expansion did threaten to get out of hand, the Fed would promptly slap it down with higher interest rates.

This Fed action in turn was

expected to drive up the dollar expected to drive up the dollar—which is why throughout last year the foreign exchanges perversely bid the dollar up on news of high inflation and economic growth figures, while they sold the dollar when they saw inflation and growth declining

The scary scenario which is The scary scenario which is now beginning to stir the financial markets is that this caveat may turn out to be wrong—the Fed may be unwilling or unable to brake the growth of the U.S. economy. And if the Fed does fail to act, the excessive growth explanation for the dollar's fail may not merely be validated—it may turn into the validated—it may turn into the third explanation—a selfperpetuating loss of confidence.

For any fall in the dollar will

give an upward twist to infa-tion—a 10 per cent fall in the trade-weighted dollar index raises U.S. consumer prices by about 1.2 per cent over two years according to the OECD. It will also tend to accelerate the economic growth rate by stimulating the export sectors which have so far been in the doldrums. The growing con-cern about inflation, meanwhile, will exacerbate further the dollar will continue to fall. As this pressure mounts, the Fed and the markets will reach a moment of truth. If the Fed fails to tighten the monetary screws sufficiently, it will lose its credibility as the sole bulwark of the U.S. economy against inflation and the fall in the dollar could turn into a collapse. If it tightens too much, it may undermine the incipient recovery of business suggest that the Fed would errinvestment which is the most on the side of "benign neglect" hopeful development to have of the exchange rate. Tighten-occurred so far in the U.S. ing monetary policy would be

Presidency to a Democratic candidate who will almost certainly, be even more unsettling to financial markets than Ronald Reagan, at least in the early phase of the new Administration. Administration.
Thus, the Fed faces more constraints than at any time in

the past three years but the nervous foreign exchange markets could do more than limit its room for manouevre—they could make it non-existent. For even if the economy as not scinally growing so rapidly as to set the Fed's claim bells ringing about inflation, the mar-kets may believe that it is—and hehave in such a way as to fulfil their forebodings. Once a downward trend in

Once a downward trend in the dellar becomes firmly established in market psychology, it will require substantially higher interest rates to keep the currency at any given level. For example, it may need a Federal Funds rate of 15 per cent to keep the dollar at DM 250 if the market expects the dollar to fall, when an interest rate of 9.5 per cent was sufficient to sustain this exchange rate when the dollar was rising.
Thus, once bearish expectations catch on in the foreign exchanges, the Fed could be forced to choose between tightening monetary policy in an economy which is slowing anyway or allowing the exchange rate and inflationary

expectations to run away.
Obviously both these alternatives would be grim ones for the U.S. economy. But the first, would be worse for the world as a whole if it involved a major ase in U.S. interest rates. It te still most likely that a choice as stark as this will not actually present itself, if the foreign en change markets have second thoughts about the dollar's weakness somewhere on the way down to DM Z.40 or so.

But if a choice does have to be made, a speech last week by Mr. Martin Feldstein the President and th

Mr Martin Feldstein, the Presi-dent's outspoken chief economic adviser and Mr Paul Volcker's closest ally in the Washington political structure, seemed to circumstances, as vague and question-begging as it may appear at first sight.

Until a month or two ago it exchange rates and free capital movements.

The dollar settles each day at circumstances, as vague and question-begging as it may appear at first sight.

Until a month or two ago it saginst its capacity limits, creating to push the economy up against its capacity limits and they are already

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Kipling would have waxed Ivrical about Air-India. Especially our First Class. Wide, deeply comfortable seats in which he could stretch out or curl up. An equally wide choice of the very finest Eastern and Western cuisine.

hostesses at his every beck and call.

The very lare soaring flights of fancy. Westbound every lunchtime to

New York, eastbound every morning, non-stop to India. We could even have asked him to write this

But chances are he'd have been lost for words. Contact your travel agent or call Air-India on 01-491.7979.

Men and Matters

the shipbuilding industry than Ken Chapman, the tough, fasttalking 44-year-old, one-time apprentice, who runs Swan and act more as a transporta-tion consultant, asking ship-After a year as head of the owners: 'What do you want to move, how and where?'" Managing Swan Hunter, one

Tyneside yard, Chapman will soon be taking on one of the industry's most challenging jobs —running the new product development and marketing de-partment to be set up by British Shipbuilders. State-owned BS, staggering

under huge losses and desperate for more business, is being streamlined by its recently appointed chairman, Graham ducts and sales strategy to weather the harsh conditions of

"It's extremely tough, we've got to face that," Chapman reflects on the task ahead. Like other European yards, BS will concentrate on trying to meet shipowners' needs instead of simply offering them its own

"Rather than saying: 'Here's what we've got, pity no-one



...and don't give me that ob story about having to get rid of short term gilts."

wants to buy it,' we've got to price of a first class stamp study the needs of the market | 26 Irish pence. The trick seems to be working. There have been long queues at many post offices and some have run out of cards.

managing Swan Hunter, one of the largest and most complex of the BS yards, is something he has "enjoyed thoroughly — there's a huge potential here." Chapman will still be deputy chairman of the composite

(naval and merchant ships) yard where he has striven to boost productivity and over-come delays on building the new Atlantic Conveyor for Cunard, The BS division within which

he will wark will be headed by Peter Milne, a diffident 48-year-old, who 10 months ago was given the awesome job of trying to sort out the troubles of Scott Lithgow, on the Clyde, and is now taking on an expanded role over all the merchant and com-

Postmark

The marketing skills of Irish supermarket chief, Fergal Quinn, are being put to good use in his other role as chairman of An Post, the newlyestablished Irish postal com-

Rivals in the grocery trade concede that Quinn's "Super-Quinn" chain is among the best anywhere; and the old supermarket adage that volume is what counts is being vigorously applied to the mail.

Quinn's first wheeze was a penny post on January 1, when An Post took over from the old Post Office. Now he has called on the Irish patron saint to help encourage people to use the

Just as British industry seems to be full of managers who once worked for Ford, so the City of London seems to be liberally sprinkled with bankers who

Citibank alumni

spent their formative years with the aggressive New York giant, Citibank,

Among those who spring readily to mind are Michael yon Clemm, chairman of Credit Suisse First Boston; Bob Logan, chief executive of Grindlays; John Hyde, chief executive of the Charterhouse Group; and Peter Alexander, European head of Chemical Bank. The Duke of Argyll is an

c.c. Citibanker; so is John Mont-gomery, Clerk of the Salters' Company; and Richard Wheeler-Bennett, chairman of Thomas Borthwick, the meat group. With at least another 200 or so working in or around the City, little wonder that moves are afoot to form an old boys'

alumni. The venture is being organised by Stanley Howell lately general manager of Chemical Bank, and now general manager of Centerre Bank. Howell spent 18 years with Citibank both in Britain

association — the

Citibank

and New York. "The idea," he tells me, "is to form a club that would hold two or three social events a year." There has been an enthusiastic response from those old boys he has contacted so far, and he is anxious to hear

St Patrick's Day is March 17
—and An Post is offering greetings cards for an all-in price of design the club tie; and Citibank, itself, has offered to pay Not a bad bargain when the

send over a senior man from New York to give the club its official blessing. Old times

Brokers, it appears, have not always enjoyed the reputable position in the City establish-ment that they hold today. Sir William Rees-Mogg, former Times editor-and one-time Observer for this column-has come across several nefarious examples in what has clearly been the enjoyable task of

cataloguing a series of rare 17-century criminal news pam-phlets for his antiquarian bookshop, Pickering & Chatto.
The sheets were the pre-cursors of the sort of news cursors of the sort of news reporting for which the News of the World (not The Times) was later to become famous. They sell for £150-£450 and, says Rees-Mogg, are of scholarly interest not only as early journalism but for the insights

they give into the law and social habits of the times.

It is with the delight of an old City reporter that he lists, for example, the account of the "tryal and condemnation of "tryal and condemnation of Frost the Broker" in 1675. Not content with charging interest at a weekly rate of three shillings in the pound, Frost tried to make more profit by clipping and filing "His Majestles coyn" and ended on the gallows.

"Now Brokers all a warned be, Here is your Brother condemned you see," a balladeer wrote on his passing.

wrote on his passing.

Rees-Mogg's old editorial hand is also discernible in the commentary on the account of the trial of rioting apprentices in 1668. Sir John Kelyng, Lord Chief Justice, opined at the time that "if a Company of People will go about any Pub-

"Long may it remain so," adds Recs-Mogg, echolog many a Times leader.

Sound opinion Glasgow graffito: "Listening to the bagpipes is a fate worse than

Observer

FOREIGN AFFAIRS: EUROPEAN DEFENCE

The Kissinger recipe

By Ian Davidson

Henry Kissinger set out a de-tailed plan for the revalancing urge the European allies to step trine. The politico-military prob-of the Atlance, with up their spending on conven-tine Europeans taking more tional defence, to re-examine responsibility for their own de-fence. At this level of ward defence, or to invest in as the U.S., it manifestly generality, the idea is anything hi-tech conventional weapons, refuses to equip itself with an hat new the goes back several as a substitute for tartical adequate conventional defence; generality, the idea is anything hitech conventional weapons, refuses to equip itself with an hat new it goes back several as a substitute for tartical adequate conventional defence; decades—and is indeed become muclear weapons, the European yet at the same time it whines ing a generally fashionable peans complain that they are at the consequences of its topic of study by analysts and being got at. Yet among the dependence on American being got at. Yet among the dependence on American full meaning the dependence on American full meaning the dependence of the william of the consequences and at the william of the consequences and at the william of the consequences are all meaning the dependence of the consequences of t topic of study by analysts and of public presouncement by the more imaginative European politicians. For the Kissinger essay raised a mini-storm of disapproval from Brussels to Benn and back again.

March 5 1984

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This is elightly puzzling No-one can seriously deny that the Alliance faces an accumulation of structural problems, military, financial and political, and only the most complacent would argue that these problems can be dealt with by shuffling them under the carpet. One might imagine that a contribution to the debate by a statesman with as much experience of the inthe debate by a statesman with as much experience of the international access as Henry Kissinger would call-for deliberate consideration. But no; dismissals has been instant and sweeping, from the German foreign ministry, and from the civilian and military leadership of Neth.

of Nain.

Admittedly, many of the specifics of the Klasinger plan are debatable; some may be inherently misguided; others, if desirable, may be impracticable at least in the current state. of Europe's development. But there can be no doubt that be mean well; his recipes may or may not be the right ones, but at least his objective is to strengthen the Atlantic Alliance, and to avert a siluation in which trans-Atlantic stresses could lead the Americans to career off

in the direction of neo-isola-tionism or global unflateralism. I suspect that the immediacy of the dismissal of the Kissinger ideas has something to do with the fact that he is an American. When President Reagan proposed the development of space-based systems in ward off the danger of micless attack, he was widely denounced, both in wis widely denounced, both in Europe, and in America, for indulging in a dangerous star wars fantage. But when President iffittenessed, a few weeks ago, floated the idea of a European manned station in space to thwart any potential threat. Europe's politicians and strategists remained

essay in Time Magazine, Dr different.

Renry Kissinger set out a de When American spokesmen public support for Nato documents of the control French, of all people, it is now becoming acceptable to raise the long-taboo notion that there needs to be a change in the relationship between West Germany and nuclear weapons.

It is Jacques Chirac, no less, the leader of the Gaullist party, who has said that this prob-lem needs to be addressed; how he does not claim to know, but somehow or other, he believes, it must be addressed. And quite recently a French socialist député, writing in Le Monde, argued that, as part of a move towards a more united European defence posture the Germans abould have dualkey control of some of the French nuclear weapons. As between the two orders

of ideas, stronger conventional defence and a re-opening of the German nuclear question, there should be no doubt which ought to be the more explosive in political terms, and which is more pressing in security terms. Yet it is the Americans who are perceived, because of their dominant position in the Alliance, as the trouble-makers; and also, of course, because America today is associated with Reaganism, with all that that entails in unpredictability and global activism

Nevertheless, the Kissinger ideas do deserve serious exam-ination. And they deserve it all the more if it is true, as some suggest, that the good doctor still entertains hopes of returning to high office in Washington perhaps in his old post of Secretary of State in a second Reagan administra-

Kissinger identifies two broad categories of problems in the alliance: the first military and doctrinal; the second political and economic. The military problem is that Nato's inmake it precariously dependent on nuclear weapons; yet nuclear parity drains this posture of

LAST WEEK, in an extended absolutely calm, not to say in much of its credibility, and deterrence against a deliberate Sovlet attack; if there are nuclear doctrine, yet still a Soviet aggression would face horrisic risks. Nevertheless, it is clear, from the controversy in many European countries that many people do not feel confidence in the security posture.

Kissinger's answer to roblem is that henceforth the nuclear weapons and at the wil-Europeans must assume greater responsibility for their own defence. It is idle for the fulness of American leadership.
There are mitigating reasons
for this undignified European posture, first among which Europeans to retort that they already provide 90 per cent of the ground forces and 80 per cent of the tanks and aircraft. is the special status of Germany. At their own choice, and at the The plain fact is that they spend much less on defence than the Americans, and it is they who are unhappy about insistence of their neighbours, allies and enemies, the Germans have renounced nuclear weapons; in the nuclear age this makes them ultimately dependent for their security on the security situation. In any case, Kissinger is not just mouthing the old incantation about defence budgets; he is arguing that it is time the the nuclear deterrence provided by the American super-power. Germany's dependence on America has been made even Europeans decided what kind of defence they would be happy with: as a corollary, the post of Supreme Allied Commander in Europe should be transferred from an American more difficult by the Gaullist Many of the specifics

to a European general.

His preferred outcome would be that the Europeans would de-cide they wanted a stronger conventional defence, so as to reduce dependence on nuclear weapons, and would agree to larged without raising profound provide it, in conjunction with constitutional issues in Washan American contribution broadly on the present scale. Secondly, it is hard to see the massive nuclear retaliation, in the event of a conventional Soviet attack on Europe, towards what came to be called "flexible response"; the U.S. believed this would restore credibility to the nuclear deterrent in Europe; de Gaulle believed it would further undermine it. But if the Europeans decided advantage to the U.S. of with-that they were unable to tackle drawing half its ground forces in the nuclear dilemma by provid-ing a stronger conventional defence, then in that case the U.S. should act in accordance with

European responsibility for European security should also extend to arms control, according to Kissinger. The MBFR control whole of their defence comweek, and the Euro-missile to engineer a critical weakening negotiations which were broken of the conventional balance such off late last year, are both as might encourage the Russians mainly about European in to try their luck at a purely terests; in both of them, there-conventional attack. fore, the leading role should be transferred to the Europeans.

It is easy to pick at many of the specifics of the Kissinger thesis is almost incontrovertible. There is no objective reason why Euro-

plan. The MBFR negotiations, for example, are already handled on the western side on a multilateral Nato basis; and in the case of the Euro-missiles, and their electorates would

Dr Kissinger: set out detailed plan

deployment, of nuclear weapons which belong to the U.S., and where any treaty must be ratified in the U.S. Senate. Even an overtly decisive voice would making power over the deploy-ment of American troops in Europe. The Europeans already play an influential role in both negotiations; it is hard to see how this role could be much en-

Europe if the Europeans fail to strengthen their conven-tional defence effort appro-priately. If the Americans share ence by withdrawing up to half credibility of Nato's nuclear docits ground forces. sequences for themselves if it ventional force negotiations, mitment to Europe; it must be which reconvene in Vienna next much less rational deliberately

it is hard to envisage the Euro- be comfortable. If they don't like the present situation whether it comes from depen dence on nuclear weapons or from dependence on Reaganism, then they should do something about it. If new strategic thinking and the opportunities provided by hi-tech point to-wards a shift from nuclear to conventional weapons, by definition that should imply a corresponding shift from dependence on the U.S. to a greater degree of self-reliance. It will be objected that a

greater degree of European selfreliance is inhibited by national sovereignties, national traditions and national politics. In the economic sphere, these are the excuses trundled out to justify the petty protectionisms of national rivalry which have stalled the development of the European Community, in spite of the pressing imperatives of the economic crisis which have called for different attitudes ever since the first oil shock a decade ago. But if Europe's security is at stake, the weasel

words will no longer do.
The French seemed to have The French seemed to have recognised the nature of the problem; the Germans are wrestling with uncomfortable reality; the British pretend there is no problem, largely because Mrs Thatcher does not really accept that Britain is part of Furna. of Europe. Henry Kissinger's recipes may be all wrong; but it is a fair bet that, when Euro pean Community leaders meet in Paris in June, President Mitterrand will press the debate about European responsibility for European security one step

Lombard

A question of intelligence

By Michael Dixon

together and produce more babies Singapore's living standards will fall, says Prime Minister Lee Kuan Yew. He believes that the tendency of the highly educated to breed less than their academic inferiors is a country's average level of in-telligence, so causing economic and social decline.

While it is no longer stated publicly by our political leaders, the basis of the same belief persists in western societies. It is true that those claiming, like Mr Lee, that genetic inheritance is the main source of intelliis the main source of intelli-gence are opposed by groups such as Marxists who say the source is the social conditions in which a child is brought up. But both camps mostly share two more fundamental assump-

One is that there exists a thing called "general intelligence" possessed by people much as they have the power of sight or hearing. The second is that how much "g" intelligence we have is reflected by our performance in second in education. formance in academic educa-

Among professional psycholo-gists, however, these assump-tions are a matter of sharp controversy. Numerous psychologists do believe in the single "g" property on the basis of their statistical interpretations of countless intelligence tests. But probably an equal number argue, on the evidence of different interpretations of the same tests, that there is not just one but several different kinds of intelligence. Since neither side's statistical

approach is demonstrably more scientific than that of the other, the controversy seems unlikely ever to be resolved so long as its raw material is the result of psychological tests, usually of the pencil-and-paper type. But a four-year study at Harvard University has led to an attempt to break out of sterile arguments. It is described in a book just published in Britain written by Dr Howard Gardner.

He is a psychologist, trained in one of the strictest versions of the single-intelligence con-

UNLESS university - trained victims of brain damage on the women and graduate men get one hand, and normal and gifted one hand, and normal and gifted children on the other. "I soon saw that what I'd been trained to believe conflicted with what my research was showing," he He has studied the evidence

not of psychological testing, but of actual examples of intelli-gent activity in various cul-tural settings. The aim was a coherent explanation of the whole gamut of human skills. To fit his definition of intelligence an ability had to satisfy several bard criteria. For example, it had to be one which is wiped out by damage to some identified part of the brain.

He has concluded that there are seven different intelligences. Three are of a sort whose development is encouraged by the academic curriculum in Britain. They are: skill with words; skill in logico-mathe-matical reasoning; and what he terms intrapersonal intellitally on one's own make-up and emotions and act accordingly. A fourth, musical intelligence, is also fostered in many schools.

But the rest are only margin ally developed by conventional academic studies, and sometimes not at all. Spatial intelligence-

to visualise how the parts of complex things fit together and interact—is crucial in engineering design, for instance. A sixth, bodily intelligence, underlies skill at communicating in mime, gymnastics and so on.
Lastly "interpersonal intelligence" enables us to understand other people's situations and act appropriately.

While all seven are probably inherited as potentialities, Dr Gardner says, each is likely to atrophy unless its use and deve-lopment is encouraged by society. Hence the British and other peoples who concentrate their education on at most four, are liable to become more and more computer-like and self-centred while losing their prac-tical creativity and ability to get on with one another.

ought to think again. vention, who went on to divide Frames of Mind. his research activity between Heinemann; £18.

We, as well as the Prime

A hidden fax

on water

From the Chairman, Water and Efficient Panel, Confederation of British Industry. Sir,—In your article on the Thames Water Authority (Feb-Thames Water Authority (February 22), in which you discussed the cuts planned in the workforce, you quated tertain figures for the authority's costs and prices, but you falled to bring out the key issue revealed by these figures.

Thames Water Authority plans to contain its operating costs in 1984-85 to £267m, an increase of £5m or less than 2 per cont over the current.

2 per cent over the current

Jean.
Its charges, however, will increase to a much greater extent. Industrial water and efficient charges will increase by a per cent to 7 per cent and industrial water bills by about

Letters to the Editor

to be subject to any form of in arranging the concert in the taxation. The Government and Royal Festival Hall to commendate steps to order their of Eigar's death, it is particularly galling to read a criticism of the concert which spends occur.

A. R. Guy. A. R. Guy. Courtanids.

Lovers of

From the Secretary, From the Secretary.

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about the "anniversary" machine. To suggest that we are a backward-looking culture because lovers of Elgar's music wish to celebrate his life and work is preposterous. What future is there for our culture when we listen to Bach or Mozart? No, Mr Loppert has

North Sea oil and gas costs From Mr T. Cox
Sir,— Mr G. A. Mackay (February 28) questioned the implication of your February 20 report on North Sea oil and gas costs. To put the record straight

either suggests that the public is irretrievably atavistic or may perhaps, occasionally, enjoy listening to the work of a great by honouring the anniversary of his death.

of the Kissinger

plan are debatable

legacy. Twenty years ago, de Gauile resisted might and main the American attempts to shift

Nato strategy away from the massive nuclear retaliation, in

For five years his resistance was successful. When it finally

was successful. When it infally failed, he withdrew France from the integrated military structure of Nato, and based French defence policy on the principle of total independence, both nuclear and conventional. Deprived of the French hinterland, geographic, military, logistical and political, the defence of Germany become even more dependent

became even more dependent on the American alliance.

The trouble is that this de-pendency no longer provides reassurance. It may well be

true, as most serious analysts claim, that the alliance still

PO Box 16, 345, Foleshill Road,

Elgar

then on water.

Water and sewage are most I detect his dislike of Elgar's main medic of the community music is not so acute as Gill's. Having been closely involved

operating cost of the service of the music is not so acute as Gill's, rised for an overdadulgence in Blacknest,
Having been closely involved their love, but to fill a London Alton, Hants.

to transactions such as those in place in 1971, it must be regarded as unfortunate in the extreme and it is to be hoped that the House sees the edge reality save to circumnavigate of the precipice and retreats to

climate is no mean feat; which

A. H. A. Neill, 11, Limburg Road, SWII.

concert hall in this economic

our Press release said: "The indices show that offshore deve-lopment costs are being contained i.e. the development cost Mozart? No, Mr Loppert has got it wrong. He may on the other hand be very lucky. He from 1971 onwards." The suggests that the "Gramia and Diarmid" music is not "really a rarity" and "the second Wand of Youth Suite" "is the regular of South Bank Eigar consent of South Bank Eigar consent and certs." Well I have never heard them live before and would therefore be delighted to know what I have been missing!

years segretal. Never thereto, the costs we refer to are the capital costs of development and do not include any element of operating cost or debt service

Lax avoidance, the law and an infringement of freedom

Straight E. Summand.

Straight E. Summand. relations to his business or his tainty which previously existed.
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Revenue to put the largest
possible shovel into his removed and has been replaced

Revenue to assess a citizen into unconditional surrender.

Revenue to assess a citizen into unconditional surrender.

Since the House is no longer not in my view be surprised to find themselves confronted with decisions and has demonstrated its willingness in tax cases to particular, one wonders at what citizen into unconditional surrender.

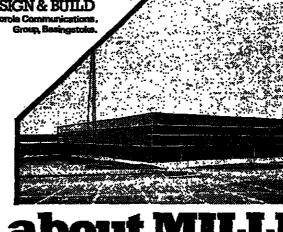
Since the House is no longer not in my view be surprised to find themselves confronted with P.O. Box 293, Jersey, its willingness in tax cases to particular, one wonders at what

possence snovel into his removed and has been replaced by the greater certainty that the Revenue will seek to exploit taxpayer have always worked on the basis that if a loophole exist, it may be exploited until to have the "new approach" extended to its advantage. Close it Parliament in this Since the speciage faynayer close it. Parliament in this Since the average tappayer country has never seen fit to lacks either the enthusiasm or legislate (as has for example, the money to have his name the South African Parliament) inscribed in the appeal cases. except in certain cases such as the Revenue has been put in allowances. Businessmen taking those concerning transactions an unparallelled position of steps which have no commercial in securities to permit the forcing most contentious cases

sequence of the House's decision in Dawson is that the case will be called in aid by analogy in other cases, fiscal and nonfiscal. Obvious examples, to name but two, concern the allotment of securities by way of renounceable letter (the sole function whereof is stamp duty avoidance) and the creation of numerous types of leases which only make economic sense by virtue of the granting of capital

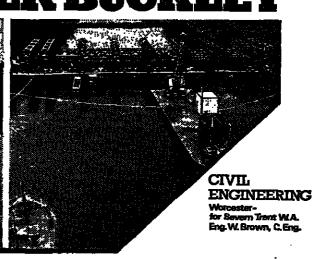
international law. The preceding provisions shall not, however, in any way impair the right of a state to enforce such laws as it deems necessary to secure the payment of taxes...." Since the "new approach" has obvious retroactive effect applying as it does, the Dawson case which took

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Terry Byland on Wall Street

Drugs and the dollar headache

THE FIRST two months of 1984 will not be lightly forgotten on Wall Street, even if the stock market was beginning to show signs of coming up for air by the end of February.

All the factors seem to have been bear ones for the past eight weeks. But what is bad for some sectors can be good for others, and it may be time to start looking for the sil-ver linings, especially if the whole market is beginning to look a shade

The wave of uncertainty over the outlook for the dollar, for example, has already started to benefit some of those stocks in companies which have been struggling for so long to sell their products in overseas mar-

major pharmaceutical groups, whose success in develop their domestic opportunities was offset by their vulnerability to the effects of a strong U.S. dollar, have strongly outperformed the rest of the industrial stock market since the turn of the year.

The pharmaceutical majors take between a third and a half of their sales from outside the U.S. Merck, the sector's favourite son and its representative in the Dow Jones in dustrial average, is making a bold play in the hugely attractive Japanese market through its most recent acquisition, Banyin.

Like many of the pharmaceutical

stocks, Merck peaked ahead of the stock market last year, chiefly because the continued strength of the dollar had begun to depress earn-

But Merck's stock price has risen 6.67 per cent since the beginning of the year, compared with a fall of

Price \$	Change from Jan 1 (%)	p/e
40%	-11	14
64%	+122	11
96	+ 6.7	16
38%	+ 8.6	14
57%	- 3.4	11
	40% 64% 96 38%	1 (%) 46%11 64% +12.2 96 + 6.7 38% + 8.6

6.92 per cent in the Dow industrials or of 4.42 per cent in the more broadly based Standard and Poor's 500 stock average on which the Wall Street analysts prefer to base their

The same trend has been followed by the other pharmaceutical leaders, with Eli Lilly up 12.2 per cent since January 1, Pfizer up 8.6 is almost never out of favour on Wall Street, some 2.4 per cent

The companies quoted are amo the more prominent in the list of those most closely affected by the outlook for the dollar. Bristol-Myers takes about a third of its sales and about the same proportion of its profits from outside the U.S. Pfizer takes the highest proportion of the sector, with about half its profits and nearly 60 per cent of its sales originating overseas.

Not that the improvement in the prospects for dollar earnings has en sufficient reason to brush aside other considerations. Johnson & Johnson, which soured Wall Street's affections with its widely published problems over Tylenol and then with Zomax, has remained even weaker than the rest of the industrial stock market since Christmas, with the stock down 15 per cent this year.

SmithKline Beckman, which has seen a downgrading of profit fore-casts by the Wall Street analysts be-cause of the expectation that sales of its Tagamet anti-ulcer drug will suffer increasingly from the competition from Glaxo's Zantac drug, has lagged behind the rest of the sector - but not the rest of the stock market, it should be said.

The outcome of the strength of he pharmaceutical stocks since the market leader with its Golfball tythe pharmaceutical stocks since the onset of the great shake out of 1984, is that they are now trading on price/earnings multiples of between 13 and 15.

This appears to compare reason-ably with the p/e of 20 on the Dow industrials, itself taking in a num-ber of the old heavyweights which led the market downhill during January and February, and which continue to lie under a cloud as analysts downgrade their profit forecasts on the expectation that the economy may slow down in the sec-

But the pharmaceuticals are twice blessed, in that they are also twice blessed, in that they are also regarded as defensive stocks whose profits from inside the U.S. are likely to be maintained even if belts have to be tightened again in some economic areas.

Moreover, if the dollar does fulfil expectations by falling during 1984, then pharmaceutical stocks still have plenty of scope to respond. In the case of Abbott Laboratories, which has been slow to follow the rest of the sector forward, a weakening in the dollar would be a major benefit to the 25 per cent of sales which come from outside the U.S.

WASHINGTON PRESSED FOR EARLY SOVIET SUMMIT

Kohl urges fresh arms talks

BY STEWART FLEMING IN WASHINGTON

to seek better ties

THE SOVIET Union will this week said, was "irked when we assert our

CHANCELLOR Helmut Kohl of West Germany yesterday urged the U.S. to consider entering into new arms control talks with the Soviet Union ahead of the presidential election in November. He also favoured an early summit meeting between President Ronald Reagan and the new Soviet leader Mr Konstantin Chernenko, provided there was confidence it would not be exploited for propaganda purposes.
Interviewed on American televi-

sion, ahead of his planned meeting with President Reagan today, Mr Kohl made it clear that he is con-cerned about tensions between the U.S. and the Soviet Union. On the

BY JOHN ELLICTT IN NEW DELHI

attempt to cement its ties with India and to push negotiations for-

ward on important defence orders –

at a time when India's stance as a

leading non-aligned nation, plus its wish to buy the most efficient arms, has led it into new links with the

Marshal Dimitri Ustinov, the So-

viet Defence Minister and one of

the most senior figures in the Mos-

cow hierarchy, is visiting India for

one week. This visit was postponed

just before the death last month of

His visit coincides with a sudden

rapprochement during the past few days between India and Pakistan

which could have significance ulti-mately for the Soviet stance on Af-

ghanistan. Concern in Delhi about

the activities of Pakistan's troops

on the border of India's northern

state of Kashmir seems to have

abated and on Saturday the foreign

secretaries of the two countries

agreed to resume talks in May on

non-aggression and friendship

pacts, after a gap of more than a

Marshal Ustinov will be meeting

Mrs Indira Gandhi, the Indian

Prime Minister, at a time when she

is deeply disenchanted with the S. over cuts in international aid to

In an interview at the weekend

with Forbes Magazine, her sympa-

thy for the Soviet Union, which she

said was fighting for nationalism

not communism, contrasted sharply

with criticism of the U.S. which, she

Protest over

Japanese

based on dumping.

typewriters

Continued from Page 1

comed what it regarded as "fair

competition", it would emphatically

oppose a "distorted competition"

Olivetti's complaint will prompt

an investigation by the European

involve an examination of the Japa-

nese production costs, domestic selling prices and overseas selling

If there is obvious evidence of

dumping, the Commission could im-

pose a provisional anti-dumping du-

ty, pending the completion of a more detailed examination. The fi-

nal duty would be settled to elimi-

Alternatively the Commission

could reject the complaint altogeth-

Japanese electronic typewriter manufacturers have made inroads

in the European market only in the

pewriters, by providing low-cost au-

The Japanese producers - Silver Reed, Brother, Sharp, Panasonic,

Ricoh, Tokyo Electric and Canon -have also eaten into the sales of

Olivetti and of the two West Ger-

man manufacturers Olympia and

World Weather

nate the dumping margin.

er as unjustified.

developing countries.

Mr Yuri Andropov.

need to resume the superpower dia-logue he said that, irrespective of the sharp ideological differences, preservation of peace was such an important goal that every opportu-nity should be taken to further it. Mr Kohl made it clear that he in-

tends to press President Reagan on economic issues which are worrying the European governments, in particular signs of mounting protectionist pressures in the Congress and the U.S. failure to tackle the problem of the federal budget defi-

He said he understood the temptations to introduce protectionist measures in an election year, but

freedom." There was no place in the U.S. global strategy for India.

While these remarks will be wel-

comed in Moscow, they are made

partly for internal consumption in

India, where Mrs Gandhi wants to

win the backing in her forthcoming general election of one of the coun-

try's two communist parties which

is currently split over her policies.

the visit so quickly after Mr Andro-

pov's death as the first major over-

ship, underlines the importance that the Soviet leadership continues

to give to maintaining and strength-

Mrs Gandhi is returning the com-

pliment by putting Marshal Ustinov up in the Rastrapati Bhavan, the

Although the Soviet Union was

displaced last year by the U.S. as

India's major trading partner, its to-tal business with India far exceeds

that of the U.S. if its massive de-

This week a delegation of senior

Observers believe that Moscow is

specially concerned that India is turning to British Aerospace, Da-sault of France, and MBB and

Dornier of West Germany to select

a partner to develop indigenous

production of a new light Indian

Hart and Mondale

FORMER Vice-President Walter not seen as active contenders eith-

Mondale and Senator Gary Hart, er, only Mr Mondale and Mr Hart

face Maine clash

BY STEWART FLEMING IN WASHINGTON

victory in the New Hampshire pri-

mary last week, were squaring off yesterday for their first head-

to-head confrontation in the race

for the Democratic party's nomina-tion to challenge President Ronald

Reagan for the White House in No-

The small and bleak New Eng-

land state of Maine has become the

battleground for a contest which Mr

Mondale himself conceded at the

weekend may not finally be decided

until the party convention in San Francisco in July. Before his stun-ning defeat in New Hampshire, Mr

Mondale, to that point the front-

runner in the race, had been claim-

ing that he would roll over all the

opposition and win the nomination

vith ease. By last Friday, Mr Mondale had changed his tune. He told a rally in Augusta, Maine: "I'm not the front-runner; this is a very tight

Perhaps as few as 20,000 reg-istered Democrats in Maine were

expected to attend meetings in 425 towns to publicly declare their alle-

gience for one of the Democratic contenders. But with Senator John

Glenn having already disbanded his

campaign organisation in Maine to

save money, and the Rev Jesse Jackson and Mr George McGovern

vember.

defence chiefs accompanying Mar-shal Ustinov will be discussing

sidential palace in Delhi

ening its ties with India.

fence sales are included.

Moscow's interest in organising

eas trip since the change of leader-

added "we will all be worse off" if they are not resisted. On the budget deficit, he expected little significant change in U.S. fiscal policy ahead of the November election, but added that he hoped for action after the election which would help to bring down U.S. interest rates and have a beneficial effect on the European

Questioned about a recent suggestion by Dr Henry Kissinger, the former Secretary of State, that Western Europe should take on a greater responsibility for its conventional defence, Mr Kohl said that it would be a mistake to reduce U.S. troop levels in Europe, and a

mistake to appoint a European to be Supreme Commander of Nato. But he underlined the importance to the West of the strength of the European as well as the U.S. pillar of the Western alliance, partly in order to resist anti-American and neutralist trends.

In this context, however, stressed that Western Europe had mplemented the twin-track Nato decision and begun to deploy Pershing intermediate range missiles, citing this as evidence of the unity of purpose in the West.

Page 15

Ustinov and Gandhi Progress unlikely in Sino-Soviet split

BY MARK BAKER IN PEKING

THE NEW Soviet leadership has rejected China's plea for significant make common efforts with us in the moves to break the deadlock in fourth round of talks to make subtheir relationship.

of his first important speech to emphasise that the Soviet Union would China "to the prejudice of the interests of third countries." His statement indicates the same

attitude as that of the previous

that the next round of Sino-Soviet consultations, due to begin in Moscow next Monday, can only make superficial progress in further easing the 20-year rift between China insists that relations can

be normalised only when the Soviet Union agrees to end its support for the Vietnamese occupation of Kampuchea withdraw from Afghanistan and cut the number of troops and missiles deployed along China's

are given a chance of victory.

Both candidates changed their

campaign intineraries on Saturday

to pay last-minute visits to Maine, which is now being seen as an im-portant test of Mr Mondale's ability

to rebound from his defeat in New

Hampshire and slow the momen-

turn which Mr Hart picked up with

that victory. Although only 27 of the 3,933 delegates to the July conven-

tion are at stake, and Maine has not

normally been seen as an important

test, the New Hampshire primary

vote has thrown the Maine cau-

In October, Mr Mondale won a straw poll in Maine handsomely,

taking 51 per cent of the vote. In

theory, he should still be favoured

to win since he has spent heavily and campaigned thoroughly in the

state and organisational strength is

often the key in attracting support-ers to spend several hours debating the merits of candidates in a cau-

Mr Mondale, however, has sig-

cuses into the spotlight.

We hope that the Soviet side will stantive progress in solving these problems," Mr Ji said.

Mr. Chernenko, in a speech deliv-ered on Friday and circulated by the Soviet embassy in Peking, said the Soviet Union was a consistent proponent of normalisation with China and believed that could advance the role of socialism in inter-

"Political consultations show however, that there remain differences on a number of questions of border troops, including those in principle. In particular, we cannot make any agreements to the preju-dice of the interests of third cour-

> crease in contacts already being established in economic affairs, culture, science and other fields. The firm Soviet line in China's

statement by Mongolia late last week, publicised by the Soviet news agency Tass, rejecting a reduction in Soviet troop levels in Mongolia. It said the troops were deployed at Mongolia's request, posed no threat to China and, as the issue

Western diplomats have previous concessions to China.

Mr Konstantin Chemenko the recently installed leader, used part not make any agreement with

Soviet leadership: that Moscow will not accept China's demands on Kampuchea, Afghanistan and Mongolia - the so-called "third countries." That has confirmed indications

the two countries.

state councillor, Mr Ji Pengfei, appealed for a new effort towards rapprochement. He said the formal consultations, begun in late 1982, had not solved any of the three obstacles "constituting a threat to

He hoped there would be an in-

demands was emphasised in a

northern borders. was "exclusively an internal matter Immediately after the death of of our state," could not be an obsta-President Yuri Andropov, a Chinese cle to normalisation

ly regarded the estimated 1m So viet troops and about 130 SS-20 missiles in the border areas as an issue on which the Soviet Union might have been prepared to make some

Gulf Oil and Arco explore terms for bid

Continued from Page 1 around \$36 to \$69% last Friday where it capitalises the company at

The Pickens group, which already holds a 132 per cent stake in Gulf, is in the midst of a \$65 per share offer for another 8.1 per cent of Gulf, and most observers feel that in the absence of any rival bid, the Pickens group would be able to win control of Gulf.

of defeat the Gulf board announced on February 24 that while it

Arco is regarded as the frontrun-ner for Gulf's hand. The group has already lined up a \$10bn plus credit line which it will use to finance any offer, and Mr Robert Anderson, Arco's chairman, is known to have had several conversations with Gulf's senior executives, including discussions of a \$70 per share offer, ac-cording to Mr Pickens. The possibility that Gulf will lose

its independence has been height-ened by the willingness of the U.S. anti-trust authorities to nod through Texaco's \$10.1bn takeover

In what looks like an admission

thought the Pickens offer was "unfair and inadequate" it had authorised its advisers to "explore all alternatives". Last week Gulf confirmed that it was in talks with several companies regarding a possible merger.

nalled his concern about Mr Hart's challenge by altering his campaign strategy and directly attacking him over the past few days. A Gallup poll just published by Newsweek magazine underscores the wisdom of the shift. of Getty Oil earlier this year.

Syria in troops pact

Continued from Page 1

ment would be made today signalling the end of Lebanon's woes. President Gemayel met Mr Fran-jieh and Mr Rashid Karami, a former prime minister, in north Lebanon over the weekend.

The agreement reached between the Syrian President and the Leba-nese opposition leaders yesterday would mean that the Lebanese Cabinet, which resigned last month, would have to be re-constituted temporarily to legalise the cancella-tion of the troop withdrawal pact

Our Tel Aviv Correspondent re-

reaction from Israel last night to

the Damascus announcement.
Previously, however, Mr Yitzhak
Shamir, the Israeli Prime Minister, had made clear that in the event of an abrogation of the withdrawal pact, Israel would feel free to take whatever military measures it might feel necessary in south Lebanon to safeguard the security of its northern border.

Mr Shamir said last week that Israel would not feel itself bound by any of the limitations it agreed in the May 17 agreement, reached after months of tortuous negotiation between Lebanese and U.S. del-

THE LEX COLUMN Wanderlust of the pension dollar

The steady depreciation of the dollar over the past month has given a cutting edge to the presenta-tions of fund managers as they tout their international investment services around the U.S. pension fund industry. Risk-diversification models are all very well, but they are no substitute for a currency chart which promises quick and easy cap-

ital gains. To many of London's merchant banks, the pension-fund manager in Pittsburgh has become the most glamorous figure in the investment business. As negotiated commissions threaten to squeeze the profit margin on domestic fund manage-ment, the FRISA funds of the U.S. pension industry offer a dazzling new area of growth.

Even the more cautious analysts of the industry confidently expect the foreign pool of U.S. pension fund assets to grow at a compound annual rate of 30 per cent or more for the rest of the decade. Last year, on a fairly conservative measure, these international funds under management shot from 57bn to \$11bn, with the increase fairly broadly soread between new cash flow and market performance.

Foreign waters

Less than a quarter of U.S. pension funds have so far even dipped their toes into foreign waters. Public-sector bodies and most smaller corporations are still wary of foreign exposure while, even among the bolder funds, no more than 5 per cent of assets is on average invested outside the U.S. The convinced internationalists maintain that an industry average of about 10 per cent should be easily attainable.

In current dollar terms, that would represent foreign investment of \$80bn, roughly equivalent to the total capitalisation of West German stock markets. A capital outflow on anything like that scale would clearly have an important effect on the performance, and structure, of non-U.S. securities markets.

engaged in a structural redisposition of their portfolios. Yet there seems no reason - currency aside-must be at least a chance that the to view the drinks company as the widespread diversification of the past two years is largely a bull market phenomenon. The pension funds were after all released from the shackles on foreign investment as long ago as 1974. Yet the momen

ersification has gathered

tion reduces risk - has many com mitted adherents. To most pension fund managers, the theoretical ar-gument is one to be filed away in case trustees cut up rough in a bear market. It is notable that the funds have applied diversification models to the debt markets only to the most limited degree.

Some pension funds have certainly developed overseas portfolios to participate in developing industries which are hardly represented in the U.S. or b gain an exposure to econ-omies with greater long-term growth prospects. Tokyo has been the main beneficiary of this strate-

gic approach. As this investment has frequently driven growth stocks to dizzy multiples, the pension funds have sought out equities which look extremely cheap in relation to their U.S. counterparts or where an industry trend already visible in North America is not vet reflected. Yet this approach also has its limitations. Wall Street buying rapidly brings the relative ratings of Du Pont and ICI closer into

For international investment to build at the projected rate, pension. fund managers will have to take an increasingly global view of securities trading. In several industries, such as oil or consumer products, foreign companies are already be-

evangelists rests heavily on the pre-equifies. Since BAT derives a high-mise that U.S. pension funds are ar proportion of its entaings from the U.S. than does Coca Cola, there

- Even if invested funds held on through a bear market, the enthu stasm of fund managers poised take the phinge might sudden wilt Meanwhile established mye ment advisers are already ing nervous about the gro shoesting international strength only recently.

While there is no doubt that the shoestring international investresistance of the pension fund ment services and the front tomovement to foreign investment on wards in house management by
the grounds of balance sheet misfunds with virtually no internation matching has substantially weak- al track record. A desister or two ened, there is little evidence that there could perhaps affect semithe opposite position – diversifica- ment throughout the industry.

Rear market.

How this attitude will stand up to -bear-market is not immedia obvious in the early 1970s, the pe sion finds' rapid invasion of the U.S. property market turned to wholesale retreat as values fall. Si far, the issue has not been tested in foreign equities. Last year, despite the strong dollar, the Capital linernational World Index provided a total return of 23.4 per cent, ahead of that from the S & P Composite In-

as Sweden, Spain and Italy, a serious turn in sentiment could have a cascading effect as U.S. funds scramble to withdraw. In the late 1950s, heavy U.S. buying pushed the share price of Philips to roughly 35 times earnings as North American ownership of the stock rose to almost a third. When the turn came, the Americans fled and the price

now and the prospect of a wholesale retreat to Wall Street by the U.S. oension funds is extremely remote. But only a bear market will show whether the international pension fund dollar is as resilient as the in-

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Cash-rich banks offer good terms to corporations

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

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hiller ... as rechentati est doctor of the US ri

with circually to inter

k record. A disaste could perhaps affet a sign the credit this week. It needs These are precisely the sort of the funds to buy Gulf Oil, with banks which are most liquid; there which it is now in discussion. Like is still much less certainty how far

Yet last week there was no escapplenty of money at their disposal not yet decided on their reply to its for clients they like increasingly request for a renegotiation on more favourable terms, although some years, revolving for the first two. It wards the end of the week.

will pay a margin of % per cent over Eurodollars for the first four years, rising to % per cent for the next four with a commitment fee of % wants an increase in its \$150m credsubscribe a mixture to be determined by the borrower of Eurodolmined by the borrower of Eurodolabout another \$100m. redit probcentage point higher margin over date has been awarded.
Certificate of Deposit rates.

These terms are comparable with today, but they are more generous are scheduled for a numb to lenders than those on another corporate deal—the \$650m credit goslavia and Argentina. being assembled for Shell Petro—Yugoslavia's agreement leum by Algemene Bank Neder-land.

ed the more generous approach of IMF were complete.

THERE could seamely be a more Arco, whose credit is led by Chase telling indication of liquidity in the manhattan. First is the need for international banking system than the \$12bn strategy credit spring on the \$12bn strategy credit spring on the Brocceedit market by Atlantic Biochield (arco) last week.

Not imply its this the largest bank lean ever, it is also being put together in the space of little more than a week, as Armo expects to be able to sign the credit this week, it needs

many other jumbo credits for oil in-dustry majors, this deal could al-ways unravel if the takeover talks into syndicated loans at a junior fail. participant level.

Elsewhere, banks in Ireland's ing the conclusion that banks have \$500m credit signed last year have ations rather than sovereign states. bankers believe that a compromise Accors credit is to be for eight solution could begin to emerge to

eign Trade Bank on whether it wants an increase in its \$150m credpoint. Alternatively, banks may it. The same borrower is meanwhile lars at the same margins and U.S. about another \$100m credit, prob-domestic dollars priced at a % per-centage point higher margin over Arab institutions, although no man-

This week should see some fresh those a top-rated European govern movement on the rescheduling ment could command in the market front. Meetings with key creditors are scheduled for a number of countries including the Philippines, Yu-

Yugoslavia's agreement in principle with the International Monetary Fund on terms of a new credit, Neither Shell nor the bank will should pave the way for progress in confirm the terms of this credit, but talks with international banks in bankers report that it carries a mar- Belgrade today and tomorrow. The gir of only % per cent over Eurodol-banks have already proposed terms lars for four years, Skell wants the for a rescheduling of between money to buy the shares in Shell Oil Co, that it does not already own. Two factors seem to have dictated this year, but Yugoslavia delay-ed this proposed with the INTERNATIONAL BONDS

Saturation worries prompt frills on FRN deals

when the plain "vanilla" bond disappears, to be replaced by one with bells and whistles attached. It means that investors at the margin have to be lured back by the prospect of something new and attrac-

But the deal as a package has still to be good value for the gim-mick to do its stuff, as two deals launched last week amply illustrat-

Danske Olie & Naturgas (DON), for people who are borrow the Danish state oil company, of-fered \$100m of floating-rate notes If interest is set and

IT IS usually a sign of near-saturation in the Eurobond market mouth London interbank offered many institutions feel that misrate (Libor) through Goldman Sachs and Morgan Stanley. Although the interest is paid quar-terly, it is recalculated every month. So, if rates rise, the coupon will adjust much more quickly than is monthly basis, investors can feel the case on normal FRNs where pretty safe borrowing monthly, and coupons are set only as often as

they are paid. In a bearish market like this one, more frequent setting seems attractive. But it also has an advantage for people who are borrowing mon-

matching their funding - that is, borrowing more cheaply for a shortous if rates move against them. But if the interest is also set on a pretty safe borrowing monthly, and can usually pick up the he margin between the one-month Libor at which they borrow and the

three-month rate they are paid. The only danger arises if three-month Libor falls below the onea % point differential, which has al- cent selling concession.

BHF Bank bond average

the last two years. This twist to the DON deal allowed the borrower to raise money on cheaper terms than Denmark itself did in January. But it was also popular with investors and traded month rate. At the moment there is at a discount well within its 0.20 per

Thailand, by contrast, used combines the marketability of a roughly the same formula on its floater with the spreads available in the Eurocredit market. \$85m FRN led by Manufacturers Hanover. Its bond paid % per cent Some bankers perceive that the over six-month Libor, with the coupon reset every three months. Al-

vantages, investors considered the

terms to be too aggressive and the

issue traded at a discount greater

than its 0.75 per cent total commis-

move from syndicated loans to FRNs has gone too far and is likely though it had the same funding ad- to rebound. But the banks as investors are loath to relinquish the ability to buy and sell their assets.

One answer might be to increase the use of Euronote issues, in which Another sign of investment bank- paper is placed with investors who ers' worry about the FRN market's can either bid at a tender panel capacity to absorb much more paper is that many are trying to conat a price they choose or can resell coct a hybrid instrument which it back to the lead manager.

Berrowerz	Amount 14.	Maturity	Av. Iife years	Coupon %	Price	lead Manager	Offer yield %	Berruwers	Amount sp.	Maturity	Av. life years	Coupon %	Price	Lead Menager	Offer yie
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Nat. Provident Fund, N.Z. **‡	109	1985	-	5%	100	SBC, CS, BBS	5.375	keland ‡	15ba	1994	9	7.6	99.7	Danna Secs.	7.79
Mitsei OSK Lines **‡	188	1989	-	5%	100	SEC	5.758	Eurofina ‡	10ba	1994	18	7%	100	Nomura Secs.	7.37

Note: Yields are calculated on AIBD basis.

These Bonds having been sold outside Canada and the United States of America.

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Banca Unione di Credito Bank in Liechtenstein AG

Hottinger & Cie **Overland Trust Banca**

Banque indosuez, Succursales de Suisse Banque Scandinave en Suisse The Royal Bank of Canada (Suisse) Volksbank Willisau AG

Bank Leumi le-Israel (Schweiz) Bank Oppenheim Pierson (Schweiz) AG Banque de Participations et de Placements S.A. Compagnie de Banque et Investissements, CBI Nippon Kangyo Kakumaru (Switzerland) S.A. **Privat Kredit Bank** J. Henry Schroder Bank AG



U.S.\$30,000,000

Hill Samuel Finance B.V.

Floating Rate Notes due 1996

Unconditionally guaranteed as to payment of principal and interest by

Hill Samuel Group Plc

MORGAN GUARANTY LTD

HILL SAMUEL & CO. LIMITED

BANQUE NATIONALE DE PARIS

CREDIT SUISSE FIRST BOSTON LIMITED

DEUTSCHE BANK AKTIENGESELLSCHAFT

Morgan Stanley International

SWISS BANK CORPORATION INTERNATIONAL LIMITED

All of these securities have been sold. This announcement appears as a matter of record only.

U.S. BONDS

Underlying mood still grim despite late rally

LONG-TERM U.S. bond prices siumped to their lowest levels for almost six months last week before bouncing back in a thin-based rally spurred by a smaller - than - expected increase in M1 and a perception by Wall Street dealers that the market may have been oversold five year notes on Tuesday produced an average yield of

But the late rally disguises the real malaise of the market. Retail investors are steering clear of the long issues—preferring to stay short or to avoid the market altogether fearing the potential for further price declines.

While the market altogether fearing the market altogether fearing the market altogether fearing the market altogether fearing the potential for further price declines.

While the market altogether fearing the potential for further price declines.

While the market altogether fearing the potential for further price declines.

fearing the potential for five full points since mid-further price declines.

While the markets' immediate prospects remain uncertain its underlying mood point on Tuesday to yield 12.21 mcertain its underlying mood
— reinforced once again last
week by warnings from Mr
Paul Volcker, the Fed chairman, about the implications of the twin budget and trade

U.S. INTEREST RATES (%)

Concerns about the pace of

the economic recovery and the first real indications of a broadbased upswing in private credit demands are heightening inflationary concerns at a time when the Federal Reserve Board's already slim room for manoeuvre is seen as

disappearing altogether.

The credit markets remain deeply cynical about presidential and congressional attempts to cut the budget deficit in an election year despite the three-year \$50bn deficit cutting proposals which emerged from the tax-writing house ways and means

committee late on Friday. While uncertainties remain and no firm consensus has emerged, many economists now believe that the Fed may soon have little choice but to firm in order to maintain its anti-inflation credibility — cent 25-year debentures at par particularly if the economic and Beneficial Corporation sold statistics continue to show the \$75m of 5-year notes with a economy bounding ahead. For 12.6 per cent coupon at par. this reason the markets' attention is now beginning to focus

per cent—the highest yield since Angust last year. Even at those levels retail interest was virtually non-existent. By

the end of the week the late

rally had lifted the price to 994

—a 10 basis points gain over the previous Friday's close— demonstrating the market's high

In contrast, although short-

The pressure to stay short

Meanwhile short-term borrowing has picked up smartly. Business borrowing at U.S.

banks and non-financial com-

mercial paper grew at a 19 per

at 9.15 per cent.

HK returns to domestic borrowing | Occidental to buy

THE HONG KONG Government one-third of its expenditure. free reserves, the government which has some HK\$700m of is expected to announce shortly The collapse of Hong Kong's is covering half the shortfall paper outstanding in the martheterms on which it will seek property market means that with a bond issue. The offer ket, and a further HK\$200m of to raise HK\$10m (\$128.5m) land is being sold cheaply if will be made by open tender, underwritten facilities and land as the land of the la through a Hong Kong dollar-de- at all nominated bond. The coupon has yet to be decided, but it fiscal it be five years.

be five years. The issue will mark the Hong Kong Government's first issue of the Mass Transit Railway Corporation, which is dovernment his five year bond issue.

Helped by a succession of budget surpluses, Hong Kong had not needed to borrow further, having built up reserves which are likely to stand at HK\$15.8bn at the end of March, 1984.

throw up a benchmark pricing for fixed-interest Hong Kong

at all.

Much of the Government's fiscal reserves, meanwhile, are pledged to guarantee "off-halance-sheet" debts such as those of the Mass Transit Railway Corporation, which is Government-owned but which the context commercial independ.

dollar debt which will be useful to potential private-sector private sector is more of a pious

undrawn underwritten facilities available.

The Hongkong Land Company has issued two tranches of about HK\$50m each. Jardine, Matheson, the sister-company of Hongkong Land, is expected soon to issue up to HK\$300m and an associate of China, Light and Power, one of Hong Kong's two local utilities, up to HK\$250m.

A secondary market has yet to develop, but local banks workther, having built up reserves which are likely to stand at HK\$15.8bm at the end of March. 1984.

However, last year the Government fiscal reserves. However, last year the Government of the HK\$15.8bm and for 1983-84 the deficit is likely to be HK\$3.3bm.

The cause of this lurch into the red is a slump in the landsales revenue with which the Government as the comment is a slump in the landsales revenue with which the Government as the comming of the Hong Kong commercial paper is short-term commercial paper in showever, gaining a little depth. The price over local prime. The prioneering of the Hong Kong commercial paper is short-term commercial paper in the landsales revenue with which the Government as the comming warket is the work of the Mass part of its facility priced over local prime. The MTRC is also thought to be considering a further innomance of a pious hope than a probability at freeming, Wardley, Barclays, and finding to nurture it include Jardine Fleming, Wardley, Barclays, and finding to nurture it include Jardine Fleming, Wardley, Barclays, and finding to nurture it include Jardine Fleming, Wardley, Barclays, and finding to nurture it include Jardine Fleming, Wardley, Barclays, and finding to nurture it include Jardine Fleming, Wardley, Barclays, and finding down from their pollitically-induced volatility of able to the Government at the short-term commercial paper is short-term commercial paper is short-term commercial paper in the lands short-term commercial paper is short-term commercial paper.

The Government maintains a probability at future contingent liabilities present, with Hong Kong commercial paper is usually over Hong Kong commercial paper is short-term commercial paper is usually over Hong Kong commercial paper is usually over Hong

back preferred stock

BY WILLIAM HALL IN NEW YORK

OCCIDENTAL PETROLEUM is purchase will be financed by paying \$333m to buy back some bank borrowings.

of its Preferred stock. The move Since it acquired Cities Series part of Occidental's efforts vice, Occidental has moved to strengthen its balance sheet following the 1982 acquisition of Cities Service.

As part of the deal the group

ssued \$1.6bn of Preferred stock. The stock is a relatively expensive form of financing and the dividends cost Occidental \$368m in 1982. Last year the group purchased 1.4m shares of its umulative Preferred stock. Dr Armand Hammer, the 85-year-old chairman and chief executive of the Los Angeles not disclosed, reports APDI, based energy conglomerate. The company said there had amnounced last Friday that unt been any production at the Occidental had agreed to pur facility for some time." Deere hase from Drexel Burnham

supplier relations.

operations.

Since it acquared Laure service, Occidental has moved surprisingly quickly in-reducing the heavy financial burden it was forced to take on. Last year it cut its debt from a peak of \$6.3bm to under \$3bm • Deere, the U.S. farm equip.

ment producer, said its Mexican affiliate John Deere has acquired the farm equipment manufacturing facilities of International Harvester in Saotillo, Mexico. Terms were not disclosed, reports AP-DI. said production at the Sastillo factory will be phased in as

preferred stock at \$111} per increases. Production will be share. It is expected that the mainly tractors

Brown Boveri Group makes senior changes

term rates have moved sharply higher since January, they remained virtually unchanged last week with the three month Or Werner Thommen is to become a general manager of of Baden, and a Member of the T-bill rate trading within a 3 basis point range and closing Brown Boveri Group's managing committee on April 1. He is foreseen as successor of Mr is also apparent in the corporate market. Until last week the Erwin Bielinski as bead of Brown Boveri International. Mr Bielinski will himself take over the Swiss division from Mr Heiner P. Schulthess, who will take over responsibility for corporate planning and assume cumulative total of corporate new issue volume had managed to outpace the comparative 1983 figure. But last week, with just \$625m of new corporate debt issued, the total so far this year grew to \$9.9bn. corporate plaining and assume management of the group's medium manufacturing companies' division. This is currently headed by managing conmittee chairman für Piero Hummel. At the same time. Dr Thomas P. Gasser, head of group finances, will additionally take over responsibility for corporate marketing. cent annual rate between the start of the year and mid-

February. Intermediate prices in the elected to the governing board of the U.S. investment bank, L. F. ROTHSCHILD UNTERBERG TOWBIN, of New York. He is chief executive of Charterhouse J. Rothschild, which has a 50 per cent interest in L. F. Rethschild University Towbin. corporate bond market rose by a moderate } points last week while long-term prices declined by about 1 point. Among the new issues launched, United Brands sold \$100m of 141 per cent 25-year debentures at par Rothschild Unterberg Towbin. r notes with a coupon at par.

Paul Taylor

CMr Helmut Mancher, managing director of Nestle SA, is at the shareholders' meeting of CREDIT SUISSE on March 23

to be nominated to the board. He will succeed Dr Arthur Fürer, currently chairman of Nestle, who is to become chairman of Bank Leu, another of Switzerland's "Big Banks."

 SEARLE LABORATORIES has appointed Mr Walter Spath vice-president of communications, succeeding Mr Denald E. Burggrabe, who has elected to join Searle's department of industry affairs as executive director of protessional relations for the western region. Mr Pierre-Alexandre Mamin has been appointed manager of CHARMILLES TECHNOLO-GIES, of Geneva. He succeeds Mr Juarg Anderegg, who remains managing director.

 Mr Harry J. Gray has agreed to continue for a further year as chairman and chief executive as chairman and chief executive officer of UNITED TECHNOLOGIES CORPORATION until December 31 1985. He will reach normal retirement date on December 1 1984. Mr Gray is a director of Citicorp and Citihank, New York City. Mr John S. Reed. vice-chairman of Citicorp and Citihank, has been elected a director of United Technologies.

appointed director, research and development, for MONSANTO'S health care division in St Louis, Missouri. Dr Timms joins Monsanto from Sandoz Inc, where he was most recently director, group pharmaceutical development pharmaceutical development and as a member of the Sandoz

INTERNATIONAL APPOINTMENTS

● Mr Alex S. C. Wu has been appointed a non-executive director of the now Hong Kong-based BSR INTERNATIONAL His appointment represents a further step in the policy of increasing the non-executive representation by outside directors on BSR's main board. Mr Wu is a director



Mr Alex Wu. non-executive director of BSR International

of several Hong Kong public companies including Green Island Cement Company, Hong Kong Aircraft Engineering Company, Longman Group (Far East), Asia Dairy Industries (HK), and Dai Nippon Printing

Roy T. McLamore has LONDON MERCHANT

chief executive officer and chief executive officer and a member of the board of its wholly-owned subsidiary LMS American Holdings Corpn (LMSA), New York, Prior to joining LMSA, he was with the MASCO Corpn and served as chief executive officer of Zenith Exploration Co, where LMSA and MASCO are majority shareholders. Mr McLamore will remain chairman of Zenith.

● The SOUTHEAST BANKING CORPN board of directors has elected Mr Joseph E. Thompson senior vice-president, administration, and corporate secretary. He will be responsible for the He will be responsible for the legal, regulatory and corporate affairs functions of Southeast Banking Corpn and Southeast Bank His responsibilities also include the public relations department, Southeast Banking Corpn Foundation and Southeast's fine arts department,

■ Mr John J. Ford, former staff director of the House Armed Services Committee, has been elected vice-president, government affairs of AVCO CORF. He replaces Mr John B. Kelley, who has retired after 20 years with the company. Mr Kelley will re-

succeeding Mr Wells in this responsibility immediately.

© CHRYSLER CORP has made four executive appointments in the corporate procurement and supply office. Mr Themas T. Stallkamp is appointed director of production purchasing. Mr James supply office. Mr Thomas T. Stall-hamp is appointed director of production purchasing. Mr James T. Watson, has been appointed T. Watson, has been appointed director of body and trim purchasing; and Mr Rosald A. Majeske, director of power train and chassis purchasing. Mr Barry D. Price is named director of southern Mr Stoll • Mr Rudolf Stump has been

appointed group management chairman of HERO CONSER-VEN, the Swiss-owned food pro-cessing concern, following the upgrading of the Swiss national head of the former subsidiarie

narry D. Price is named director of facilities purchasing Mr Stall-kamp succeeds Mr Cenrad T. Coen, who was recently named to the newly-created position of director, purchasing quality and Tr Hermann Odermatt has joined the board of EUROPEAN GENERAL REINSURANCE Mr Eugene C. Smith has been named senior vice president, operations of CNG PRODUCING COMPANY, New Orleans, an ex-ploration and production sub-sidiary of the Consolidated Natural Gas Company. He was the subsidiary's vice president, operations. Schueiz and Mr Willy Brup-pacher have left the board. Mr Douglas A: Henderson has succeeded Mr Firman G. Beatley as managing director of POLYSAR INTERNATIONAL, Friborg Mr Bentley remains company chairman. At the same time, Mr William Burns, Mr Jenathan C. Rehinson and Mr Neil B. Reberts have been appointed managers. The Herbert B. Hirsch, Mr James T. Verfurth and Mr John D. Wadhams have been named senior vice presidents of BARCLAYS AMERICAN CORP.

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the company. Mr Kelley will remain a consultant.

Mr Fred M. Wells, vice-president, industrial chemicals division of THE PROCTER AND 1978 and was promoted to GAMBLE CO, will retire on senior vice-president in also become chief executive fiber retirement, Mr Frank P. Smith currently associate mans joined Barclays American Corp. in president, and chief operating officer Mr Bobert Langan, will retire on senior vice-president in also become chief executive fiber retirement, Mr Frank P. Smith currently associate mans joined Barclays American Corp. in president, and chief operating officer on January I. He succeeds his retirement, Mr Frank P. Smith currently associate mans joined Barclays American Corp. in the company in 1956 Mr Wadble Chairman of the same company in 1956 Mr Wadble Chairman of the same company in 1956 Mr Wadble Chairman of the same company in 1956 Mr Wadble Chairman of the succeeds have joined Barclays American Corp. in the company in 1956 Mr Wadble Chairman of the same company in 1956 Mr Wadble Chairman of the same company in 1956 Mr Wadble Chairman of the succeeds have company in 1956 Mr Wadble Chairman of the succeeds have company in 1956 Mr Wadble Chairman of the succeeds have company in 1956 Mr Wadble Chairman of the succeeds have company in 1958 Mr Dodd will continue as chair-dustrial chemicals division, launching the company's real man.

All these Notes have been sold. This announcement appears as a matter of record only.



Mitsui Finance Asia Limited

U.S.\$100,000,000

Guaranteed Floating Rate Notes 1996

Issue Price 100 per cent.

Unconditionally guaranteed as to payment of principal and interest by

The Mitsui Bank, Limited (Kabushiki Kaisha Mitsui Ginko) (Incorporated with limited liability in Japan)

Mitsui Finance Europe Limited Goldman Sachs International Corp.

Algemene Bank Nederland N.V.

Bank Leu International Ltd

Chase Manhattan Capital Markets Group

Citicorp Capital Markets Group

Credit Suisse First Boston Limited

Deutsche Bank Aktiengesellschaft

Merrill Lynch Capital Markets

Nomura International Limited Smith Barney, Harris Upham & Co.

Swiss Bank Corporation International Limited

Hambros Bank Limited

Morgan Guaranty Ltd

Salomon Brothers International Limited

Bank of America International Limited Banque Nationale de Paris

Chemical Bank International Group

Commerzbank Aktiengesellschaft

Daiwa Europe Limited

Manufacturers Hanover Limited

Samuel Montagu & Co. Limited

Orion Royal Bank Limited

Société Générale S. G. Warburg & Ço. Ltd.

Wardley

March, 1984

FT INTERNATIONAL BOND SERVICE

Shikoku Elac. Pwr. 6 91 100 11011; 1021; -01; -01; -01; 6.57
Soc. Ltx., Cxt. 51; 93 100 991; 100 -01; 0 5.76
Sumiromo Hvy. I. 6 91 100 11011; 1011; -01; -01; -07; 5.74
Tohoku El. Pwr. 51; 92 100 1591; 100 -11; +1 5.77
Trizac Corpn. 61; 93 100 101 1011; +01; +03; +03; 5.96
World Bank 51; 94 200 981; 98 -01; +04; 5.90
Average price changes...On day -01; on week +01;

EUROBOND TURNOVER (nominal value in Sm)

Last week 7,415.7 19,339.I Other bonds

Last week ... 2,172.4 1,439.9 Previous week 2,112.8 1,513.5 * No information available.

previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week Change over price a week earlier.

FLOATING RATE NOTES:
Denominated in dollars unless otherwise indicated. Compon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (#three-month; \$ above mean rate) for U.S. dollars. C.com=The current coupon. C.yld=The current yield.

CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Chg. day = Change on day: Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount. of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares. The list shows the 200 latest shares via the bond over the most recent price of the shares.

The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Kredistbank NV; Credit Commercial de France; Credit Lyonnais; Commercial de Luxembourg SA; Banque Generals du Luxembourg SA; Banque Internationale; Rangue Generals (Kredie thank Luxembourg; Algemene Bank Nederland NV; Pierson, Heldring and Pierson; Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers; Bank of Tokyo International; Rights (Sasuman, Paine, Webber International; Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldman Sacks International; Curporation; Hambros Bank; IBJ International; Hambros Bank; IBJ International; Merrill Lynch: Morgan Stanley International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Samuel Montagu and Co.; Samuel Montagu and Co.; Swiss Bank Corporation International; Wood Gundy.

Closing prices on March 2

Closing prices on March 2

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Orion Royal Bo emene Band Anno Internati Bank of Tokyo I Bangua Bruxeli Bangua C mone General Marion Parity and Marion Parity and Marion Ma

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FINANCI

EQUITIES

Ice cool and well-conditioned

EVEN BY comparison with his ever-active working life, these the bulk of the acquisition are busy lines for Mr David through a f7.7m rights issue. Its Abell. On Friday last week in tworth, including £4.05m of his issued the Class f document property, was £15.37m. Suter is characholders in Suter acquired the refrigeration Siter acquired the refrigeration and time, at a discount because it was inconditioning group, Mr Abell explained at the equipment, refrigeration and ime, at a discount because it was inconditioning group, detail long the sale of a major continued despite stringent cost pressor and altropolitioning money—but the losses pressor and altropolitioning money—but the losses pressor and altropolitioning in the sale of a major continued despite stringent cost pressor and altropolitioning in the sale of a major continued despite stringent cost pressor and altropolitioning in the sale of a major continued despite stringent cost pressor and altropolitioning in the sale of a major continued despite stringent cost pressor and altropolitioning in the sale of a major continued despite stringent cost pressor and altropolitioning in the sale of a major continued despite stringent cost pressor and altropolitioning in the sale of a f18m profit for 1983, nor does he quibble too much disposal by pointing to the increase in performance of disposal by pointing to the increase in performance of the current year.

Quite apart from the nuts and bolts activity of making and outside Prestoold's range up to 5hp, and the entry of Japanese competition into the rotary competition with the stock market means that Suter will always be in the forefront of takeover speculation.

Anyway, as he is first to admit, Tilbury Contracting and Apple yard, the vehicle distribution group, have both seen Suter and

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Occidental of irisingly quickly in the heavy financial of the forced to take on the first debt from the tounder 55m to under 55m to und

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te lending sily, Mr Patrick File D. Ray Spratt, Mr Walters and Mr Gayli is have been named at presidents and Mr Gayli is have been named at presidents and Mr Gayli is have been said at a president and Mr Poplemiek has been a president and Mr.

Wir Rudolf Stump in inted group many rman of HERO Off, the Swissowned Maing concern, follow rading of the Swis expenses to a from a function. Mr Frei II. i of the former she

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elements at Leyland Special Pro-ducts but never seemed to find But this I a place in BL's overall structure in the reorganization which fol-lowed the integration of other chance "gru

Tilbury Contracting and Apple-yard, the vehicle distribution group, have both seen Suter and Mr Abell come and go in recent years, and latterly Mr Abell has turned up on the board and the register of Downs Surgical, now subject to a bid from Smiths Industries and Lake and Elliott, the steel foundry group, which has recently undergone a management shake-up co-ordinated Hambras Bank. Hambros Bank.
Suter has paid particular atten-

tion to Francis Industries, the packaging and industrial pro-ducts group, and its 25 per centplus shareholding was enough recently to block Francis' plans to cut debt by buying in early its outstanding loan stock. Mr Abell's presence has, he says, taken Francis' shares out-ide his huying sange and made says, taken Francis snares outside his buying range and much the same rise has taken place at RHP Group, the ball-bearings manufacturer which like BL, was put together in the 1960s by the Industrial Reorganisation Corporation

souter has 2 per cent of RHP, acquired at about 35p per share, but the subsequent 20p share price increase may have deflected Suter's ambitions for RHP's electrical products interests. interests...

Wherever his share dealings take Suter, Mr Abell remains highly confident about the group's future. "We're going to shatter people," he declares.

Order books higher at Allied Textiles as demand holds up

ORDER books for most of the businesses of Huddersfield-based Aliled Textile Companies are currently better than at this time last year, says Mr C. Russell Smith in his first annual statement as chairman.

The improved trading conditions which arose in the 12 months to September 30, 1983, when pre-tax profits rose by £310,000 to £3.5m, are still evident in most parts of the group, he reports; adding that he believes they have benefited from the lower value of the pound.

As regards the future, he says the group continues to investigate opportunities to acquire the says the group continues to investigate opportunities to acquire the says that the says the group continues to investigate opportunities to acquire the says the says the group continues to investigate opportunities to acquire the says that the says the group continues to investigate opportunities to acquire the says the sa

past, with reasonable balance between supply and demand, but with no readily identifiable prospects for significant growth. As reported on February 1, the company's profit improvement for 1982/83 was achieved on lower turnover of £26.06m against £27.77m. A geographical analysis of this, published in the annual report, shows (£000s comitted): UK £19,629 (£18,819), Continental Europe £3.118 which continue to be under which continue to be under threat of closure because of the current economic situation. The auditors say they have been unable to verify provisions, totalling £165,000 before tax made by the directors as part of the extraordinary items account to cover the estimated costs of further rationalisation Continue to be under which continue to be under threat of closure because of the current economic situation. The auditors say they have been unable to verify provisions, totalling £165,000 before tax made by the directors as part of the extraordinary items of the extraordinary items of the company's profit improvement for 1982/83 was achieved on lower turnover of £26.06m against £27.77m. A geographical control of the extraordinary items of the company's profit improvement for 1982/83 was achieved on lower turnover of £26.06m against £27.77m. A geographical control of the extraordinary items of the company's profit improvement for 1982/83 was achieved on lower turnover of £26.06m against £27.77m. A geographical control of the extraordinary items of the company items of th past, with reasonable balance

omitted): UK £19,629 (£18,619), COSTS UI INCLUE.

COUTINEMED Europe £3,118 which it is considered will take (£3,254), the Middle East £1,489 place during 1984.

(£3,290), the Far East £1,489 place during 1984.

(£1,672) and other areas £627 with shareholders' funds up from £15,28m to £20,42m. Fixed from £15,28m to £20,42m. Fixed area attantion to account. tors draw attention to account- assets totalled £2.79m (£2.9m)

COMPANY ANNOUNCEMENT

May 29 to June 26 1987

March 2 1984

Bank Hapoalim BM 9
BCCI 9
Bank of Ireland 9
Bank Leumi (UK) plc 9
Bank of Cyprus 9
Bank of Scotland 9
Banque Belge Lid 9
Banque du Rhone 10
Barclays Bank 9
Beneficial Trust Ltd 10
Bremar Holdings Ltd 9
Brit Bank of Mid, East 9
CL Bank Nederland 9
CL Bank Nederland 9
Canada Perm't Trust 10

Canada Perm't Trust... 10 %
Castle Court Trust Ltd. 9 %
Cayzer Ltd. 9 %
Cedar Holdings 9 %

C. E. Coates 94%
Comm. Bk. of N. East 9%
Consolidated Credits ... 9%
Co-operative Bank ... 9%

The Cyprus Popular Bk. 9
Dunbar & Co. Ltd...... 9
Duncan Lawrie 9

First Nat. Secs. Ltd... 101%
Robert Fraser 10 %
Grindlays Bank 9 %
Guinness Mahon 9 %
Hambros Bank 9 %

Second conversion period: May 27 to June 24 1988

holdings in the company on the record date.

EAST RAND GOLD AND URANIUM

COMPANY LIMITED

(Incorporated in the Republic of South Africa) PROPOSED RIGHTS OFFER OF 2,870,000 15.5 PER CENT

UNSECURED CONVERTIBLE DEBENTURES 1988/1991 Further to the circular to members dated February 9 1984.

members are advised that the special and ordinary resolutions proposed at the general meeting of the company held on March 2 1984 were duly passed.

Accordingly, members registered at the close of business on March 9 1984 (i.e. the record date previously specified) will be offered the right to subscribe for a total of 2,870,000 15.5 per cent unsecured convertible debentures 1988/1991 of R12 each at par (South African currency) in the proportion of 7 such debentures for every 100 shares held at the record date. This will raise a total of R34,440,000 for the company.

The debentures will be redeemed at par by drawings in four equal instalments of R8,610,000 each, on the last Friday in December in each of the years 1988 to 1991 inclusive. Debenture holders may,

however, elect to convert their debentures into shares of the company at a price of 1,200 cents per share in each of the conversion periods set for 1987 and 1988, as follows:

A circular will be posted to members from the Johannesburg and United Kingdom offices of the company on March 16 1984 containing full details of the offer and the conditions attaching to the debentures, together with a report by the company's technical advisers. The circular will be accompanied by renounceable letters of allocation in respect of members' rights arising from their holdings in the company on the record date.

The head office and United Kingdom transfer registers and registers of members of the company will be closed from March 10, to 16 1984 for the purposes of the offer.

Applications have been made to The Johannesburg Stock Exchange and The Stock Exchange in London for listings of the debentures to be offered. It is expected that details of the listings will be advertised in the Press on March 8 1984.

BASE LENDING RATES

A circular will be posted to members from the Johann

A maximum of 50 per cent of

Balance of debentures outstanding

Heritable & Gen. Trust 9 %

Midland Bank

Morgan Grenfell

National Bk. of Kuwait

National Girobank

National Westminster

Norwich Gen. Tst.

R. Raphael & Sons

P. S. Refson & Co.

Roxburghe Guarantee

Royal Trust Co. Canada

J. Henry Schroder Wagg

Standard Chartered

Trade Dev. Bank

TCB

Trustee Savings Bank

United Bank of Kuwait

United Mizrahl Bank.

United Mizrahl Bank... Volkskas Intnl. Ltd. ...

Westpac Banking Corp. 9 %
Whiteaway Laidlaw ... 91%
Williams & Glyn's 9 %
Wintrust Secs. Ltd. ... 9 %
Yorkshire Bank 9 %

Members of the Accepting Houses

7-day deposits 5.5%, 1-month 6%, Fixed rate 12 months 22,500 9% 225,000, 12 months 9.5%. 7-day deposits on sums of: under £10,000 5-%, £10,000 up to £6½%, £50,000 and over 7½%, £21-day deposits £1,000 and over £½%. § 21-day deposits 57±%. § Demand deposits 57½%. § Demand deposits 57½%.

the group continues to investigate opportunities to acquire other textile businesses, but regularly finds the likely returns compare unfavourably with those available from financial investments with minimal risk.

Opportunities for increasing the companies textile activities, he says, are likely to continue to stem from organic growth in the manufacture of speciality textiles and goods for nonapparel end use.

He concludes that the group's traditional business is generally more stable than for some years past, with reasonable balance

ing policies used. These indicate and net current assets were that the break up value concept £19.44m (£17.09m), with investhas been applied to the financial ments up from £9.62m to statements of certain activities £11.77m.

FIXED INTEREST STOCKS

l							
issue price £	Amount paid up	Latest Renuno, date	198 High	3/84 Low	Stock	Closing price &	1 or
\$95,711 \$101 	£25 F.P. £25 F.P. £30 £25 F.P. £25 F.P. £25 F.P. £25 F.P. £30	22/8 6/4 7/3 15/6 14/3 12/7 18/4 27/4 30/3	2716 11130 2936 899 1353, 48 253, 1004 1004 281; 281, 1004 1022 1043 1043	264 1084p 2454 30 3012 2412 1004 100 2512 2514 984 10054 10054 10054	Asian Dev. Bk. 104% Ln. 2009. Britston Est. 111 pp. 1st Mort. Deb. 2025 Bulmer (H.P.) 834% 2nd Cum. Pri. Eff (U.K.) 124% Uns. Ln. '91. Grainger Tst. 1134% Uns. Ln. '91. Hamson Tst. 8% Cnv. Un. Ln. 2004/09. Int. Bk. for Rec. & Dev. 11.5% Ln. 2003 Lon. Shoo Prop. 9ec Cnv. 94/99 Ser H. MEPC 1034pc 1st. Mort. Deb. 2024 Mid-Southern Wtr. 614% Red. Pri. 1991 Nationwide 1014% Bds. 288/1/85 Do. 104/pp. 186/2/85. Province de Quebec 124/% Ln. 2020. Queens Moat 12% 1st. Mort. Deb. 2013 Rochdale Met. Bor. 11.10% Red. 2006 Scot. Northern Inv. Tst 11½ 2Rd. Db. 2018 Stough Ests. 124/% Uns. Ln. 2009. Spain 12% Ln. 1989	2718 1119 294 108 108 444 2534 1004 1004 12819 10021 11043 11043 11043 11043	+56 +1 +36 +214 +16 +18 +116 +116 +54 +68

"RIGHTS" OFFERS

	issue price		Latest Renunc. date	198	3/84	Stock	Olosing price	+ or
		₹4	0	High	Low		ğ°_	
	530	Nil		200om	148nm	Applied Computer 10p	148pm	32
:	A\$7.5	Nil	2/5	240pm	218pm	Broken Hill Prop. AS2	282pm	
	-	F.P.		245	13B	East Dagga Options	245 pm	
. !	50	Nil	12/3	6pm	4pm	♣ Greenwich Cable Comm	6pm	l
	275	NII	9/3	44 pm		Higgs & Hill	37pm	
	157	Nii	8/5	22 pm	13pm	McCorquodale,	16pm	
١ '	536	Nit	14/3	270pm	210pm	⊀Micro Focus 10p	240pm	<u>—5</u>
	185	Nii	16/3	24om	2112 om	Newmarket 5c	24 pm	+1
'	16	Nii		12 pm	120m	Sheafbank Property 10p	12om	
	350	F.P.	29/2	394	378	Sketchlev		+2

Requestation data usually last day for dealing free of stamp duty. 5 Figure based on prospectus assimates. d Dividend rate paid or payable on part of capitals cover based on dividend on tall capital. g Assumed dividend and yield a Forecast dividend cover based on provious year's samings. F Dividen and yield based on prospectus or other official estimates for 1834. H Dividen and yield based on prospectus or other official estimates for 1834. H Dividen and yield based on prospectus or other official assimates for 1834. H Dividen and yield based on prospectus or other official assimates for 1834. H Dividen and yield based on prospectus or other official assimates for 1834. H Dividen of ordinary shares as a "rights." "I issued by tander. I official to holder of ordinary shares as a "rights." "I issued by way of capitalisation. S Reinforduced. Till steed in connection with morganization merger or take-over all Allotment letters (or fully-paid). I introduction. I Unlisted Securities Market. S Placing price. 11 Official London Listing. I No par value.

PENDING DIVIDENDS

	LEUR	IIIG	DIAIDEMI) J
	Data	Announce- ment last year	Date	Announce- ment last year
	AdwestApr 15	Interim 2.1	Lex ServiceMar 25	Final 5.0
			Lex ServiceMar 25 Lloyds BankMar 9	Finel 14.66
	Inv TrustApr 14 EquipMer 21 Ass Brit Ports Apr 14	Final 440c Interim 0.35	*LeemoMar 13 *Low and	Final 6.5
	Ass Brit Ports Anr 14	Final due	*Low and Roser May 26	Final 3.0
ı	Automotive	tiridi 405	BonerMar 25 *Lucas IndsMar 29	Interim 2.6
į	ProductsApr 15	Fine! nl!	*Midland Bank Mer 8	Final 17.5
į	i Ret Inde Ans 7	Final 15.0	Mills and	
ı	BCAMat 17	Interim 2.0	Allen,Mar 14 Morgan	Interim 4.0
	BCA	Final 7.04	· Criscible:Apr 14	Final 4.0
ļ	IRP Mar 17	Finel 14.0 Finel 14.0 Finel 5.09 Finel 5.25 Finel 3.6 Finel 11.0	NEIApr 12	Final 3.25
i	BPCCApr 5	Final 5.09	*NatWestMar 6 NewarthillApr 14 *News IntlMar 5	Finel 18.4
ŀ	BTR	Final 5.25	NewarthillApr 14	Firmal 9.0
1	BPCCApr 5 BTRMer 16 Babcock IntlMar 30 Barclays BnkMar 5	Fine 3.5	* *News IntlMar 5	Interim 3.499
	*Barratt	1110	TransportMar 23	Finel 2.35
1	DevelotsMar 13	Interim 4.2	Paterson	
	*BejamMar 15	Interim 1.5	ZochonisMar 22	Interim 1.33
ı	Bell (A.)Mar 23	interim 2.0	Peachey Prop-Mar 20	Interim 2.25
į	Bell (A.)Mar 23 *Bibby (J.)Mar 20 Blackwood	Final 5.15	*Philips' LampsMar 8	Final due
ı	Ladaa Ang 15	Finel nil	Phoenix	1 11101 000
Į	Boddingtons'		ÁSSUR ADE R	Final 10.2
Į	BrewsMar 10	Final 2.25	Pritchard	
I	Booker	Final 2.25	ServicesMar 24 *Provident	Finel 2.1
١	McConnellMar 29 BowaterMer 29	Finel 3.5	Financial Mar &	Final 5.58
ı	Torent		*PrudentialMer 28 Queens Moat	Final 10.0
i	Chema IndMar 27	Final 1,9	Queens Moat	
Į	British AerospacaMar 29	S1 F 2	HousesApr 11 *Ransomes Sims	Final 0.605
1	*British VitaMar 5	Final 5.2 Final 2.7 Final 3.75	and JefferlesMar 5	Final 8.86
l	*BritoilMar 23	Final 3.75	Reckits and	1 illes 0.00
ı	*British VitaMar 5 *BritoilMar 23 Brooks Bond Mar 15	Interim 1.25	ColmenMar 29 Reed (Austin) Apr 14	Final 6.6
Į	RIOMU ROASU	5	Reed (Austin) Apr 14	Final 3.5 Final 2.05
Ì	KentApr 14 BryantApr 21	Finet oil	*RentokilMar 20 Rio	Final 205
i	BryantApr 11 BunziApr 2 Burmah OilApr 13	Interim 1.0 Finel 4.5 Final 7.5	Tinto-ZincApr 14	Final 10.5
1	Burmalı OilApr 13	Final 7.5	RockwareApr 13	Finat nil
1	Burmah DilApr 13 BurtonMar 22 Cadbury Schwappes Mar 8	Interim 3.1	Rowntree	
Į	_ SchweppesMar 8	Final 3.5	MackimoshMar 16 Royal Dutch	Finel 5.9
ł	Coment	· 1141 0.0	PetroleumMar 15	Finel Pl 4.65
ł	RoadstoneMer 15	Final 3.56	RuberoidApr 5	Final 4.0
ı	Coates BrosApr 6 *Cons Gold	Final 2.42	Rugby Portland	
Ì	FieldsMar B	interim 5 sea	CementApr 11 Scottish	Final 2.9
ı	Croda IntlApr 7	Pinel due	Metro Pro Anr S	interim _ 1.5
l	Creds IntlApr 7 *DRGMer 28	Interim 8.5	SedgwickMar 10 Senior EngApr 8	Finel 4.5
Į	De BeersMar 15 *DeltsMar 27	Finel 25c Finel 1.58	Senior EngApr 8	Finel 4.5 Finel 0.75
ļ	Eastern	_	*Sheli TransportMar 15	Final 12.6
۱	ProduceMar 14	Final 3.5	*Sime DartyMer 3	Interim 4 sen
ĺ	ProduceMar 14 Exco IntlMar 29	Final 3.5 Final 3.1 Final 2.5 Final 7.5	*Sime DartyMer 3 Slough EstsMer 23	Final 2.075
ŀ	Expamet IntlApr 12 FisonsMer 5	Final 25	Smith end NephewMar 22	
l	FreemansMar 28	Hnef 7.5 Finel 2.25	NephewMar 22 Smiths Inde Acr 12	Finel 2.8 Interiro 4.0
Ì	*General		Smiths IndsApr 12 Standard	11101110 7.0
١	MiningMac 5	Final 120g	Chartered Rk Mar 22	Final 17.8
ĺ	Gilt and DuffusApr 13	Finel 4.B	StatestleyMer 12 Sun Alliance Apr 6	Final 3.0
ł	GlazoApr 13	Interior 2.75	SuperdrugMar 29	Final 28.5
ŀ	GlaxoApr 11 *GKNMer 14 GREMar 29	Interim 2.75 Final 4.0 Final 12.5		Final due Final 5.0
ı	GREMar 29	Final 12.5	Taylor	
ĺ	GlynwedMar 28 Harris	Finel 4.9	WoodrowApr 14	Final 14.0
۱	OpeanawayMar 25	Final 4.0	*Transport DevelometMar 15	Final 30
ŀ	*Hapworth		TricentrolMer 24 "Turner and NewellMer 21	Final 5.6
ĺ	CeramicMar 21 Higgs & Hilf Apr 13	Final 3.35 Finel 5.75	Turner and	
۱	*HK Shanghai	rine(5./5		Final nil Final 9.5
ļ	BenkMar 13	Fine! HK\$0.37	*UltramerMer 14 *UniteverMer 6	Final 18.87
ı	HooverFeb 17	Final nil	*Unitever NVMar 6	Fine! FI 14.56
ł	Horizon TravelMar 17	Final 2.8		Final 3.55
۱	*(M) Mar 19	Final 2.8 Final 2.0	*United NewspapersMar 22	Final 3.55
ł	*Ibstock	D	Vosper ,Mar 23	Final 3.55 Final 3.0

Granville & Co. Limited

Member of NASDIM

Wolseley-Hughes...Mar 12 Interim 5.08

* Board meeting intimated. † Rights issue since made. † Tax free. § Scrip issue since made. ¶ Forecast.

Over-the-Counter Market

27/28 Lov	at Lane London EC3R (BEB		Teleph	one l	01-621	1212
						P/I	E
Capitalisati	3.		Change	Gross	Yleid		Fully
£000°s	Company	Price	on week	div.(p)	%	Actual	taxed
5,589	Ass. Brit. Ind. Ord	125	_	6.4	5.1	7.3	9.5
<u> </u>	Ass. Brit. Ind. CULS	138	_	10.0	7.2	_	_
4,110	Airsprung · Group	71	-1	6.1	8.6	20.3	20.3
700	Armitage & Rhodes	28	+1	_	-	_	_
39.896	Bardon Hill	320	_	7.2	2.3	13,1	26.6
3,190	Bray Technologies	58	_	2.7	4.7	10.5	11.4
2,079	CCL Ordinary	197	_	5.0	2.5	4.5	6.3
· -	CCL 11pc Conv. Pref	147	_	15.7	10.7		_
· 2.196	Cerborundum Abrasivas	365	+ 15	5.7	1.5	_	_
1,628	Cindico Group	103	_	17.6	17.0	_	_
4,690	Deborah Services	60	+2	6.0	70 D	32 1	52 2
13,120	Frank Horsell	202	+3	_	_	8.5	13.9
_	Frank Horsell Pr Ord 87	188	+2	8.7	4.6	7.9	13.0
4,190	Frederick Parker	29	· <u>-</u>	4.3	14.8	_	_
645	George Blatr	35	_			_	_
1,950	Ind. Precision Castings	48	_	7.3	15.2	13.3	16.6
8,160	Isis Conv. Pref	340	+75	17.1	5.0	_	
6,021	ackson Group	119	-	4.5	3.8	62	12.2
33,124	James Burrough	240	+3	11.4	48	13.3	13.6
9,261	Ministouse Holding N.V.	343	+3	4.0	1.2	25.8	31.5
1,091	Robert Jenkins	107	-1	20.0	18.7	12.4	8.4
3,000	Scruttons "A"	60		6.7	9.5	10.0	7.2
1,562	Torday & Carlisla	64	_	2.9	4.5	_	_
1,972	Trevian Holdings	435	-9	_	_	89	8 1
2,826	Unilock Holdings	18	_	1.0	5.5	118	17.1
11,092	Walter Alexander	87	-1	6.8	7.8	7.6	10.1
5,554	.W. S. Yeates	238	. +2.	.17.1.	7.2	3.7	7.6

When Mr Abell left British before nominal tax.

Leyland in Jamuary 1981 after socials as composate treasurer, and chairman and chief executive of BL Special Products and Commercial Vehicles divisions, it seemed natural that his first acquisition target should be Prestcoid, the refrigeration group.

Prestcoid was one of the major elements at Leyland Special Products and Corporation of America is now buying SHUD, with its distributorships, for some ingland, a leading broker has harderessing equipment operation is said to be progressing amountly and, above all, Suter's net indebtedness of £10m will be eliminated and, after early conversion of Suter's loan stock, will produce positive cash of cold's products. NRS is expected to must turnover up by £5m to elements at Leyland Special Products. but never seemed to find But this had been Suter's core to push turnover up by £5m to a place in BL's overall structure business which, as Mr Abell for the reorganisation which followed the integration of other chance" when Suter first special products activities into started its expansion. He admits now that "we got off to a poorish Suter paid BL £2m for Prest start and I take the blame for Mr Abell claims that Suter has

SHARE STAKES

has sold 10,000 shares.

London Merchant Securities—
F. G. Nash, a director, has sold 11,000 ordinary shares at 67p and now holds 121,044 ordinary and 68,016 deferred ordinary shares.

The Second Alliance Trust—
The Standard Life Assurance
Company has sold 135,000 ordinary stock units and 1/1ds 1.141m
ordinary stock units (5.95 per

LADBROKE INDEX

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Standard Life Assurance ComStandard Life Assurance Assurance ComStandard Life Assurance Assurance ComStandard Life Assurance Assurance ComStandard Life Assurance Assurance Assurance of Standard ComStandard Life Assurance Assurance ComStandard Life Assurance Assurance Assurance of Standard ComStandard Life Assurance Assurance Standard ComStandard Life Assurance Assurance Standard ComStandard Life Assurance Assurance Assurance of Standard ComStandard Life Assurance Assurance Assurance of Standard ComStandard Life Assur

Nominees, holds 56,752,398

Martin Ford—The Martin cordinary.

Dweek Group—ERS Inv AB (Sweden) has increased its hold ing by 90,000 ordinary and now holds 436,895.

The Lincroft Kilgour Group—Brayton Consolidated Trust has sold a total of 150,000 shares; has sold 50,000 shares at 10 p; the Drayton Consolidated Trust has sold 50,000 shares at 10 p; the Ordinary and now holds 922,000 (20.17 per cent).

Hambros Investment Trust—Bruner A trust of Which directors G. M. Bulmer Hellenic and General Trust, a wholly-owned subsidiary, has sold 50,000 shares at 10 p; the N. G. K. Dawes Settlement has sol

** Essed on FT Index 834-838 (+9) Tel: 01-493 5261

United Kingdom and the Republic of Ireland.



Australian Industry Development Corporation

(A statutory corporation, wholly owned and guaranteed by the Commonwealth of Australia)

A\$42,000,000 121/8% Notes due 1990

Payment of principal and interest guaranteed by the Commonwealth of Australia.

Issue Price 100% plus Accrued Interest

The following have agreed to subscribe or procure subscribers for the above Notes:

Orion Royal Bank Limited

Algemene Bank Nederland N.V. Amro International Limited Bank of Tokyo International Limited Banque Bruxelles Lambert S.A. Banque Générale du Luxembourg S.A. Banque Nationale de Paris Banque Paribas

Commerzbank Aktiengesellschaft Credit Suisse First Boston Limited Deutsche Bank Aktiengesellschaft

Daiwa Europe Limited

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Hambros Bank Limited Kredietbank International Group Samuel Montagu & Co. Limited Morgan Stanley International J. Henry Schroder Wagg & Co. Limited Société Générale de Banque S.A. S. G. Warburg & Co. Ltd. Wood Gundy Limited

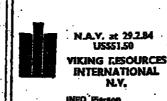
The 42,000 Notes of A\$1,000 each have been admitted to the Official List by the Council of The Stock Exchange, subject to the issue of the temporary global Note. Interest on the Notes will accrue from 15th February, 1984 and shall be payable annually in arrears on 15th February in

Particulars of the Notes and the Issuer are available in the Extel Statistical Service and may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 19th March, 1984 from:

> Orion Royal Bank Limited, 1 Lendon Wall, London EC2Y 5JX

Cazenove & Co., 12 Tokenhouse Yard,

சிற்துத்திரியா நிறுந்தையதில்	F	INAN	CIAL '	TIME	S ST(CK I	NDICI	ES		
	Mar.	Mar.	Feb.	Feb. 28	Peb. 27	Feb. 24	1983 High	Low	Since Co High	mpilatn Low
Government Secs.	85,12	82,87	82.64	88.72	82.40	82,39	83,77	77.00	127A	49.18
Fored Interest	86,81	86.59	86.82	86,86	86,81	85,90	87.47	79,03	150.4	50,63
Industrial Ord	838.9	828.5	819,8	819:1	519.1	815.8	640.5	59 6,4	840,5	49,4
Gold Mines	675.5	672,5	865,8	672,2	652.5	856.6	734.7	444,6	734.7	43,5
FT-Act: All-Share.	501.49	496,06	493.12	498.42	495.45	491,30	504,73	382.22	504,73	61,92
F7-5E 100	1060.7	1046.1	1040,3	1039.2	1041.5	1035.9	1075.9	99 7,5	1075.9	997,5



Heldring & Pleason N.V. Herenorecht 214. Amsterdat

Today's Rates 10½%-11% 3i Term Deposits Deposits of L1,000-L50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 9.3.84 are fixed for the terms shown: Terms (years) 3 4 5 6 7 8 9 10

Interest % 1012 1014 1014 11 11 11 11 11

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRI

Closing prices March 2 Calife Calife Calife Canada Calife Ca 自己的我作物,我们有说我一切到了很多这个时间就是这样,我们还没有我们的人,我们就是一个人的人,我们就是一个人,我们是一个人,我们是这个人,我们是这个人,我们是这个人,我们 REIT E E RANGE REIT E RANGE REIGH RE ICH (CO)
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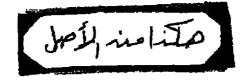
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Was Continued on Page 22

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cant or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. b-fluidening dividend citi-called d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend declared after split-up or stock dividend. j-dividend paid this year, on whited, deterred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulance issue with dividends in arrears. h-new issue at the past 52 weeks. The high-low range begins with the start of trading, nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-shock split. Dividends begins with deter of split its-calles t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high, w-trading helted, via beniruptcy Act, or securities assumed by such companies, wit-when distributed, wi-when issued, ww-with warrants. x-a-dividend and sales in full. yid-yeald, z-sales in full.

WORLD STOCK MARKETS



day March 5 low

Opening Spring 1984

close to the commercial and historic districts, a few minutes from the European Communities.

INTERNATIONAL **GUIDE** TO THE ARTS

every Friday in the

Financial Times

WORLD STOCK MARKETS

فيسينجسين																
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NEW	YOR	K		HONE W JONE	ces s		-				Mar.	Mar.	Feb. 29	Feb.	198 High	3,84 Low
	Mar.	Mar.	Feb.	Feb. 28	Feb. 27	198 High	3-84 Low	Since Comp High Lo		AUSTRALIA Ali Ord. (1/1/88) Metals & Minis. (1/1/80)	796,3 499,3	723.1 495.8	737.6 588.3	748,6 521,9	787,9 (9:1:84) 814,2 (6:8)	487.8 (4)1/85) 411,8 (4/1/85)
+ industr'is H'me Ends			_			(29/11) 77.84	(8/1/88 60,86			AUSTRIA Gredit Alktien (2/1/62)		55,26				48.48 (15/2/88)
Transport Utilities					l .	AG11.041) /X:1/2X	812.65 22, (9/1/44) (8/7, 163.52) 10	14.	BELGIUM Belgian SE (51/12/65)	140,41	140,15	140,48	141,55	148,25 (1/2/84)	100_58 (4/1/83)
Trading Vol.		/			53,140	(81/18)	(8/1/83	20/4/89 38/4	/ 42)	DENMARK Copenhagen SE (5/1/88)	198,6	191.56	194,34	198,05	225,21 (20;1,84)	1 186,00 (\$/1/85)
o Day's high	1181.	01 (1166	.46) lo	# 1163		i 6,25) .	. 10 Y	ear ago (app	- 1	FRANCE GAC General (\$1/12/82) ind Tendance (\$8,12 88)	165.4 166.4	162.1 164.5	165.2 163.2	162.7 104.5	175,1 (25/1/84) 114,7 (25/1/84)	96,1 (5:1/85) 98,4 (5/1/84)
STANDARD			4.	73 _: !	4,78	4.7	1 .	4,86	- 1	GERMANY FAZ-Aktien (31/12/58) Commerzbank (1/12/53)					379,84 (2:2;84) 1098 6 (2:2;84)	241,89 (25:1:88) 797.5 (25:1:88)
	Mar.	Mar.	Feb.	Feb. 28	Feb. 27	198 High		SinceComit High Lo	rn	HONG KONG Hang Seng Bank:31,7/64:						
industr'is . Comp's'te		. 1		177,25 168,82	169,86	(10/10) 172,65	(5.1/83 138,64	194.84 5,6 1 (10:10:85 (50:6 172,86 4,4 1 (10:10:83 (1:6)	(62) 48	ITALY Banca Comm Ital. (1972)	221,97	219,58	219,64	220,90	229,67 (1,2,94)	160,45 (19/1/93)
Industri	al div. y	ield %	Feb.		eb. 22 4,08	Feb. 4.0	;_	ear ago (appr 4,22		JAPAN** Nikkel-Dow (18:5/49) Tokyo SE New (4/1/88)	9948.48 773.57	9820.27 769.71	10030.7 776.12	10072,8 778,50	10285,7 (30;1;64) 779,60 (27:2:64)	7803, 18 (25/1/85) 574,51 (25/1/85)
Industri	at P.E.n	tio .	12.	12	12,59	12.	72	11.89	-	NETHERLANDS						
Long Go	v. Bond	yleld	11,1	e .	11,89	11,	73	10,39	_	ANP-CBS General (1970) ANP-CBS Indust (1970)	157,4 ·	160.4 131.6	160,5 161,9 ,	160,4 ·	178,9 (1/2/84) 147,2 (1:2:54)	. 100.1 (4/1/85) - 85.5 (4/1/83)
N.Y.S.E.	ALL COL	MON			•	Rise	s and F Mar, 2	alis Mar. 1 Feb.	. 29	NORWAY Oslo SE (4:1 85)	250.63	247.55	245.90	249.01	258,63 (5:5;84)	89.07 (4/1/83)

Mar. Mar. Feb. Feb. High Low 1021.60 1018.63 1017.85 1023.69 1071.91 (8/2:84) 712,29 (5/1:83 SOUTH AFRICA 91.6791.0790,44.90,24 99,63 80,92 (10/10) 247/85 MONTREAL 3PAIN Madrid SE (50, 12/63) 451,42 429,52 429,80 424,98 468,90 (26;9) 351,18 (4;1;85) 412,27 418,94 411,10 487,41 441,29 (26;9) 328,12 (4;1;85) TORONTO Composite 2425.1 2416,5 2419,8 2486,5: 2598.2 (26/8) ORLD Spital Intl. (1.1.70) . 181,90 - : 181,5 181,7 | 187,2 :20 1.84, 154,5 :8:1.85:

OVER-THE-COUNTER Nasdaq National Market

Stock Sales High Low Last Chang	. Stack Sales (Hinds)		Sales Hagli Low Last Ching (Hinds)	Stock Sales High Low Last Chro (Hads)
Continued from Page 22	TWSIEx 98	141, 13 141, +11, Unwite 15, 15, 15, Unwite 12 101, 12 +11, Unwite	3 363 10 ¹ 3 10 ¹ 3 10 ¹ 3 +14	Works 387 1012 914 1014 + 14 Webb 8 48 6 1414 1374 1414 + 14 Works 2 84 5 4 4414 44 4414
T-T TCA Co .12 14 129 111, 121 ₂ +1	True 36 121	254, 254, 25 + 1 UrgeC 254, 254, 254, + 4		WrDogit 140 By 85 55 +14 Westra 80 433 17 185 17 Westr 2712 35 34 35 +14
Tackle 8 2 71 71 71 +14 Tmpx 3 813 505 481 501 +1	TwnCity 87	51 ₂ 43 ₄ 5 +1 ₄ YU VLSI U	85 174 161 161 112 629 141 131 131 11 1 4 151 151 151 151 14	Widcom 206 10 ³ 2 9 ³ 2 − ³ 2 Wiffirst 1.50 299 30 29 ³ 2 29 ³ 2 − ³ 4 Wiffirst 1.50 299 11 10 ³ 2 10 ³ 2
Tendem 5413 342 334 334 -1 Tandn s 3236 854 154 16 +14 TeCom 31 13 125 125 +14 Tecns s 1 1104 153 154 154 -14	UTL s 148 Utrey .05e 149	17 18¼ 16¼ -¼ ValNir 16½ 16 16 -¼ ValLine 14½ 14 14½ +¼ VenDus	1.18 E3 233, 234, 237, 30a 514 325, 32, 32, 321, +1,	WinsSn 17 11½ 11½ 1½ +½ v/West 25:9 65 65 55 -½ Wignet 20 167 13½ 13½ 13½ +½
TelPlu s. 961 72 73 73 Telecrot 28 256 173 174 171 +12	Uniti 93 UnPintrs .60 108	154 144 144 -4 Vectors 224 214 224 +12 Ventrex	189 12, 11, 12, 112, 12, 12, 13, 14, 15, 15, 15, 15, 15, 15, 15, 15, 15, 15	Wanders 57 320 73 74 74 -4 46 8 54 6 +4
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TermOs 152 129 12 129 -1 179 -1 179 12 129 12 129 12 129 129 129 129 129 1	UPmass 9	775 7 775 +14 VideoCr 1272 1274 1274 +14 Viking s	54 1215 1214 1215 +15	Writing s 56 297 22%; 22%; 22%; +% Writing 10e 7 10%; 10 10 +% Wyman 20 10 23%; 25%; 25%; +%
Texton 61 55 55 55 55 1 16x 16x 16x 15x 15x 16x 16x 16x 16x 15x 15x 15x 15x 15x 15x 15x 15x 15x 15	US Ant · 234	255, 256, 252, +5, Velicity 54, 5, 54, -4, Voltin a 234, 234, 234, -4, 205, 204, 205, +4,	174 184, 174, 184, +4	X-Y-Z Xebec a 937 15 149, 15 +1
Therid 4 12 12 12 12 13 15 15 15 15 15 15 15 15 15 15 15 15 15	US Shin .08a 93 US Sur 366	57, 57, 57, WD40 s 137, 137, 135, WHOTEL	152 Ba B Bla + L	Xicor 889 143, 143, 143, 143, 143 Xidex a 1184 175, 16 183, +3 Yicor 82 596 345, 334, 333, 44
70m3Fib 80 32 55 52 Tiprary 1 225 65 6 6 -1 Toccon 140 2 17 72 -1	UnTaley 68	38 573 38 - 1 18515 134 134 134 + 1 1858 5 284 274 285 + 1 18658	1.50 139 151, 151, 151, 151, 151, 16 111, 111, 1	Zent.08 102 141 141 141 2 Zentec 33 6 5 6 Zondy s 30 13 155 157 157

PUBLIC NOTICES

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4 AFRICA

SCOTTISH EQUITABLE LIFE ASSURANCE SOCIETY

NOTICE IS MERIESY GIVEN that the
ANNUAL GENERAL MEETING of the
Society will be held in the SOCIETY'S

MEAD OFFICE, No 31, St. ANDREW

SQUARE, EDINBURGH, on Thersday,
15th March 1984 at 2.30 p.m. to
consider the Accounts and Ralasce
Sheet and the Reports of the Directors and the Auditor, to elect Directors, to determine the remuneration
to be paid to the Directors and to
respond to determine the remuneration
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The Society's Head Office not less
than torrovelack hours before the time
for holding the Meeting.

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COMPANY NOTICES

INTERNATIONAL-ISSUE PROCAN SOCIETE D'HYPO-THEOUE SCAN 35 MILLION 17.5% DUE 15 DECEMBER 1986 CHANGE OF **CORPORATE NAME**

We inform the bondholders that Procan Société d'hypothèque has changed its corporate name to Société d'rippothèque Banque Nationale .

The bonds will be listed at the Luxembourg Stock Exchange under the following designation: PROCAN SOCIETE dHYPO-THEOUE (Act. Societé d'Hypotheque Banque Nationale) This change of corporate name

is made without any stamp on the bonds nor exchange of bonds. The principal paying agent

SOCIETE GENERALE ALSACIENNE --DE BANQUE Luxembourg Branch

NIPPON MEAT PACKERS, INC. The undersigned announces that the Annual Report year under July 31, 1963 of Nepole Meat Packers, inc. will be available to Luxembourg at. Kredietbank S.A., Lustembourgeoise. Lustembourge.

Ind. further to Amsterdam at:
Algemene Bank Nederland N.V.
Amsterdam-Rotterdam Bank N.V.
Bank Meer B. Hose N.V.
Person, Hundring & Pierson N.V.
Kas-Associatie N.V.
Amsterdam

Amsterdam, 1984.
27th February 1984.
COMPANY N.V.

BRITANNIA GROUP OF UNIT TRUSTS.
LIMITED
RRITANNIA AMERICAN SPECIAL
SITUATIONS TRUST
MEETING OF UNITHOLDERS
HELD ON 22ad FEBRUARY, 1984

HELD ON 22ad FEBRUARY, 1984

At the above moting of inithoders bold to coosider andernization amendments to the Trust Deed of the Trust, the voting was as tollows.

Resolution No. 1.

FOR 95.4% of votes cast.

AGAINST 0.6% of rotes cast.

Resolution No. 2.

95.0% of votes cast.

AGAINST 2.0% of votes cast.

Both Resolutions were therefore passed by the requered majority of 78% of votes. the Trust Deed amendments were effec-trom 29th February, 1984. uve mon 29th February, 1954

CONTRACTS & TENDERS

AIR-INDIA

NOTICE INVITING GLOBAL TENDERS

Controller of Stores & Purchases, Air-India, Santacruz, Bombay 400:029 India, invites sealed item-rate Tenders from manufacturers having sufficient experience for the following on a turnkey project basis.

Name of Work Supplying, Installing, Testing 9 mooths and Commissioning of Pallet/ from award Container storage and mech of contract) anised handling in our new Cargo Warehouse at Sahar Terminal-II Bombay.

Time Allowed Due Date

Tender containing schedule of quantities, specifications, general terms of contract, special conditions will be available from our following office:—

Regional Stores & Purchase Manager Air-India
Building No. 896
Maintenance Area
London Heathrow Airport
Hounslow, Middlesex.
Telex 934393 Tel. 01-897 6311.

Only manufacturers with proven technical capability and experience of such jobs will be issued the tender documents. Offers with maximum indigenous (Indian) content will be

Tender documents will be issued to the Agents in India only against letter of authorisation from their principals. Each offer must be accompanied by refundable earnest money deposit of Rs. 50,000 in the form of bank draft drawn in favour of "AIR INDIA" or equivalent in local currency to be paid at the office from where tender documents are collected.

Offer should be valid for acceptance for a period of four months from the date of opening the tender. Controller of Stores & Purchases, Air-India, reserves the right to reject any or all tenders, without assigning any scases.

CONTROLLER OF STORES & PURCHASES Old Airport Santa Cruz Bombay 400 029

COMPANY NOTICES

NOTICE TO HOLDERS OF

MORAN ENERGY INTERNATIONAL N.V.

8% CONVERTIBLE SUBORDINATED DEBENTURES DUE 1995

Moran Energy Inc., as Guarantor of the 8% Convertible Sub-Moran Energy Inc., as Guarantor of the 8% Convertible Subordinated Debentures Due 1995 of Moran Energy International N.V.,
hereby gives the following notice in accordance with the Indenture
among Moran Energy International N.V., Moran Energy Inc., as
Guarantor, and First City National Bank of Houston, as Trustee,
dated as of November 1, 1980, governing said debentures:

A special meeting of Moran Energy Inc. stockholders has been
tailed for March 19, 1984, for the purpose of voting on a proposal soly which Moran would be merged with and into Kaneb Services,
loc. a Delaware Corporation. If approved by the requisite number

Inc. a Delaware Corporation. If approved by the requisite number of stockholders of both companies and if certain other conditions are satisfied, the merger is expected to become effective on or about March 20, 1984. Upon consummation of the merger each share of Moran common stock will be converted into 1.14 shares of Kaneb. common stock. Appropriate transmittal letters enabling Moran stockholders to exchange their share certificates will be mailed on or about March 20, 1984.

or about March 20, 1964.
In conjunction with consummation of the merger, Kaneb will assume all obligations of Moran Energy Inc. as guarantor, with assume all obligations of Moran Energy Inc. as guarantor, with respect to the debentures, and shares of Kaneb common stock will then be issuable to holders of Moran Energy International N.V. conversible debentures upon conversion at an adjusted conversion price of \$23.32 per share.

MORAN ENERGY INC.

AUCTION

SETENAVE-ESTALEIROS NAVAIS DE SETUBAL, E.P.

announces the auction for sale of its Newbuilding S106 (steam turbine tanker), completed in its yard in August 1983, under the following conditions:

1. MAIN CHARACTERISTICS OF NEWBUILDING S106

Breadth, moulded 57.30 m Depth, moulded

CONDITIONS OF SALE

Some items — information under 6 — will be removed from Newbuilding S106 before delivery to the successful bidder. Newbuilding S106 will be sold without those items and delivered "as is, where is."

3. BASIS FOR BIDDING

The reserve price at which bidding will commence is USS29,990,304.40 (twenty-nine million nine hundred and ninety thousand three hundred and four United States dollars and forty cents). All taxes, duties, stamps and fees levied by Portuguese or foreign authoricies connected to the sale by auction are to be borne by the successful bidder.

PAYMENT Payment will be cash.

Payment will be cash.

On closure of bidding the bidder to whom the vessel has been adjudicated will make a deposit of 10% of the reserve price (i.e. US\$2,999,030.40 — two million nine hundred and ninety nine thousand, thirty United States dollars and forty cents) by means of a certified cheque, or assured by a bank guarantee given by a recognised first-class bank, in either case documents being made out to Setenave — Estaleiros Navais de Setubal, EP, Final adjudication and transfer of the property will take place on payment of the sum outstanding which will be paid place on payment of the sum outstanding, which will be paid 30-45 days after the date of public auction, at a date, time and place to be indicated by Setenave to the purchaser with a minimum of ten days advance notice. In the case of failure by the bidder to meet punctually the conditions of payment of the sum outstanding, the deposit previously paid will be forfeir.

DATE, TIME AND PLACE OF AUCTION

The auction will take place on 26th March 1984, beginning at 10 am, in the Auditorium of Setenave Training Centre in their yard at Mitrena, Setubal, Portugal. Proceedings will be presided over by a magistrate, former Judge of the "Supremo Tribunal Administrativo."

Should there be no bids within an hour of the opening of auction proceedings, the president will declare the same closed. TECHNICAL DATA

From the date of publication of this announcement up till the eve of auction, those interested may consult the technical documentation concerning the Newbuilding under auction and

To this end prior contact should be made with Setenave as follows:

Secenave-Estaleiros Navais de Secubal, EP To: Subject: Auction of Newbuilding \$106 By Letter: 2902 Setubal Codex, Portugal By Telex: 16171 SETNAV P

THE SUCCESSFUL SIDDER will be responsible for all tasks and dutles concerning the purchase which are not obligatory to be performed by Setenave. Setenave guarantees the purchaser its fullest co-operation in carrying out the same.

SETENAVE-ESTALEIROS NAVAIS DE SETUBAL, EP The Board of Directors

Setubal, Mitrena, 5th March, 1984

KIRSH TRADING GROUP

> **INTERIM REPORT** FOR THE SIX MONTHS TO 31 DECEMBER 1983

CHECKERS STORES LTD

			-
	Unaudited 6 months ended 31 December 1983 R000's	Unaudited 6 months ended 31 December 1982 R000's	Audited Year ended 30 June 1983 R000's
SALES (of continuing operations)	715,267	<u>589,677</u>	1,191,710
Operating profit/(loss) including			
attributable earnings of associated			
companies	8,622	489	(6,451)
Interest paid	2,400	3,429	6,0 <u>75</u>
Income/(loss) before taxation	6,222	(2,940)	(12,526)
Тахиятия	323	571	870
Income/(loss) after taxation	5,899	(3,511)	(13,396)
Interests of outside shareholders	7	15	14
·	5,892	(3,526)	(13,410)
Preference dividends	3,413	1,223	2,286
EARNINGS/(LOSS) FOR ORDINARY			
SHAREHOLDERS	2,479	(4,749)	(15,696)
Extraordinary profits (not included above)	63	1,694	6,240
Notes:		_	

Sales include the turnovers of associated companies trading as Checkers. Associate company turnovers in each of the reported periods are as follows:

— 6 months to December 1983 — R23,9 million

— 6 months to December 1982 — R21,4 million — Year to June 1983 — R45,3 million nterest paid for the 6 months ended December 1982 has been reduced by R501,000 to co

policy adopted at June 1983, in terms of which the interest component of the carrying cost of lend under de s included in land development costs.

Group borrowings at the end of the period amounted to R72 million (1982; R58 million) allocated as following and short term:

— Long term borrowings R2 million (1982; R24 million)

— Short term borrowings R70 million (1982; R34 million)

These borrowings are being mainly utilised to fund expenditure on property development.

Capital commitments amounting to R82 million (1982: R6 million) have been authorised and contracted for. In the main these commitments are in respect of property development to be financed by short term borrowings. In the longer term certain properties will be sold.

6 The future minimum commitments on finance leases over fixtures, fittings and equipment as at 31 December 19

It is expected that trading conditions will continue to be difficult throughout 1984, under the impact of incre

PROFORMA SUMMARISED INCOME STATEMENT OF THE RECONSTRUCTED

	Sales		R000's 1,815,001
	Pre-taxed profits	•	25,011
ŀ	Profit after tex	•	21,243
ı	Preference dividends and allowance for the financing cost of new	w acquisitions	4.851
	Earnings for ordinary shareholders	•	16,392
ľ	Less ordinary dividends		4,608
	•		11,784
	Earnings per share (undiluted) (cents)		34,90
	Earnings per share (fully diluted) (cents)		29.77
	Dividends per ordinary share		10,00
П			

'1 Sales include total sales of subsidiary and associated companies.

2 Dion Stores, Union Wine and Dee Bee Supermarket are associated companies and their results have been accounted for on an equity accounting basis.

3 The semings of certain of the companies for the second half of the year are expected to be lower than for the first half. 4 Tax has been provided at the estimated average for the full financial period.

KIRSH TRADING GROUP LIMITED RECONSTRUCTED SHARE CAPITAL

Shareholders funds of the group (net of goodwill of R31 million) now total R212 million and the number of ordinary and convenible preference shares in issue is now:

Number of shares in issue Ordinary shares of 50 cents each 46.081.548 Compulsorily convertible cumulative variable rate preference shares of 1 cent each 13,121,763 7 per cent compulsorily conventible cumulative preference shares of 1 cent each 7,358,178 66,561,489

JOHANNESBURG 17 FEBRUARY 1984

FOR AND ON BEHALF OF THE BOARD N. KIRSH Directors G. M. UTIAN

DECLARATION OF INTERIM ORDINARY DIVIDEND NO.83

NOTICE IS HEREBY GIVEN THAT an interim dividend of ten cents per share has been declared by the Board of Directors payable on 23 March, 1984 to Ordinary Shareholders registered in the books of the Company at the close of business on 9 March 1984. The dividend is declared in South African currency and dividends payable from the London Office will be paid in United Kingdom currency calculated at the rate of exchange ruling between Rand and Sterling on 16 March 1984.

Dividend cheques despatched from the London Office to persons resident in Great Britain or Northern Ireland will be subject to a deduction of United Kingdom Income Tax at rates to be arrived at after ellowing for relief (if any) in respect of South The Company will, where applicable, deduct the Non-Resident Shareholders' Tax of 15% from dividences payable.

Dividend chaques will be posted on or after 23 March, 1984, By order of the Board

JOHANNESBURG 17 FEBRUARY 1984

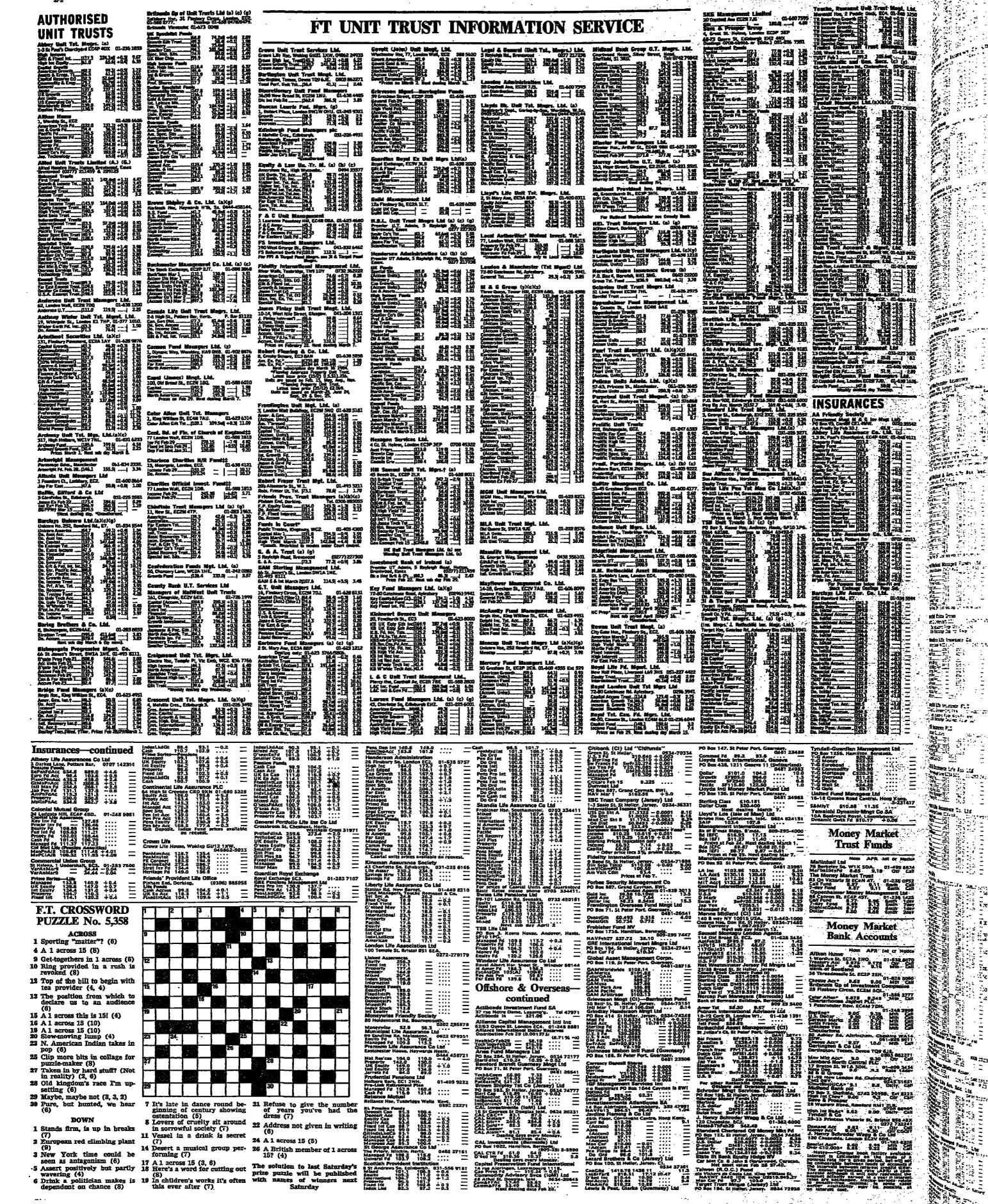
B. C. CRAGG Secretary Registered Office: 220 Commissioner Street, Johannesburg.

South African Transfer Secretaries: Central flegistrars Limited, 154 Market Street, Johannesburg 2001. (P.O. Box 4844, Johannesburg 2000) London Transfer Secretaries:

Ravensbourne Registration Services Limited, Bourne House 34 Beckenham Road Kent BR3 4TU United Kingdom



A Kirsh group company



INSURANCE & OVERSEAS MANAGED FUNDS | Pacific Disk | Sale | 112.48 | 311 |
| Pacific Disk | Sale | 12.31 | 14.31 | 3.11 |
| Barkishi National Life Assurance Co. Life |
Handard Rr.	Haywards Heath	1.044 414111	
Hangard	1.07	1.07	1.07
Property	1.07	1.07	1.07
Interventional	1.07	1.07	1.07
Interventional	1.07	1.07	1.07
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Invest 13. Fd. Acc., 335.7 01-283 710<u>1</u> Lloyds Bank (C.I.) U/T Mgss. P.O. Box 195, St. Heller, Jersey, Lloyds Tst. O'seas......1131 A 144 of And the second s Money Variet

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ENGINEERING—Continued

INDUSTRIALS (Miscel.)

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1824 | 12 | 11.11 | 9.52

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Bell Alsaintic S1.

Ja.Ag. Jy.O.

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J.A.B. Jy.O.

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THE THE THE PERSONNELS AND THE P

Dollar's fall continues

The dollar showed no sign of sustained recovery last week, although there were days when some attempt was made to rally the currency. Any halt to the the currency. Any halt to the downward slide was only the result of a temporary technical

the currency. Any hait to the downward slide was only the result of a temporary technical adjustment as dealers covered short positions.

Economic news was rather thin on the ground, but the figures published did nothing to boost the dollar. Leading indicators for the U.S. in January rose by 1.1 per cent, much in kine with expectations, but continuing to fuel fears that fast rising economic growth will cause inflationary pressures later this year.

Weekly M1 money supply rose by \$1.7bn, rather less than

EMS EUROPEAN CURRENCY UNIT RATES

8.14104 2.24184 6.87456 2.52595 0.72569 1403.49

THE POUND SPOT AND FORWARD

1.4785-1.4905 1.8500-1.8610 4.31-4.34¹; 78.15-78.75 14.00-14.09 0.70-0.12c dis 0.06-0.18c dis 1½-7₅c pm 19-29c dis 1½-2½ore dis 0.24-0.36p dis -1.17 -0.97 2.89 -3.83 -0.77 0.41-0.45dls -0.84 0.40-0.50dls 3.12 37-27 pm
-3.67 70-80 dls -1.82 67-2 dls -2.89 0.97-1.12ds 3.52 37-22 pm
-25.30 720-1400ds -9.79 525-565 -4.07 103-111-dis -6.11 212-23-dls -1.83 47-53 dis 2.56 2.26-2.14 pm
3.14 203-18 pm
6.11 47-4 pm
fanc 50.90-31.00.
nt 2.30-2.40c dis. 14.00-14.09 1.2440-1.2530 3.81-3.85 191.75-194.00 220.25-221.50 2378-2335 11.05-11.12 11.77-11.82 3361-347-26.80-27.15 3.18-3.22 leigian rate is is:-month forwer 0.24-0.38p dis 1½-7apt pm 270-576c dis 170-190c dis 170-190c dis 14½-16½lire dis 3½-04cc dis 1½-20re dis 0.76-0.88p pm 7½-1½c pm frants. Financial 2380¹-2382¹2 11.06-11.07 11.78¹-71.79¹2 11.47-11.48 337¹-338¹2 26.95-27.00 3.18¹-3.19¹3 for convertible

OTHER CURRENCIES

M 2]			£
Mar. 3	£	s		Note Rates
Agentina Peso	43.25.43.34	29,18-29,21	Austria	26,90-27,20
Australia Dollar.:	1.5655-1.5675	1.0555-1.0560	Beigium	80.68-81,45
Brazil Cruzeiro	1.789.4-1.799.5	1.207-1.213	Denmark	13,98-14,12
Finland Marka		5.5975-5.6025	France	11.75-11,85
Greek Drachma.	149.70-150.10	100.65-100.95	Germany	3.814-3.854
Hong Kong Dollar	11.639.11.547		italy	2370-2405
ran Rial			Japan	329-334
KuwaitDinar(KD)			Netherlands	4.3014-4.314
Luxembourg Fr			Norway	
			Portugal	193-202
New ZealandDir.				2171e-2285
foud Arch Dive	5 1008 6 204R	I KOOK I FOOS	Sweden	
			Switzerland	3.19-3.22
Singapore Dollar	3,1330-3,1410	S.1040-S.1120	United States	
V.A.E. Oirham	D.4415-5.449U	. 3,6720-3.6730	Tugoslavia	199-205

The rate on March 1 should have read 3.6720-3.6730.

FINANCIAL FUTURES

JAPANESE YEN Y12.5m \$ per Y100

7 day Interbani 7 day Interbani 5 mth Interban 17 Saury Bill Te Band 1 Bills Band 2 Bills Band 3 Bills

TOKYO

against the dollar, but moved down with the U.S. currency against Continentals. Oil supplies and the war between Iran and Iraq overhung the pound all week, keeping it rather pervous, while the January UK trade figures were regarded as disappointing, with the market expecting a small surplus and not the published deficit of £339m. Mr Paul Volcker, chairman of the Federal Reserve Board, re-inforced his earlier comments about the U.S. becoming a major world debtor last week, and this also undermined confidence in the dollar. The D-mark was the main beneficiary, rising to its main beneficiary, rising to its highest level against the dollar for over four months, but on friday the Japanese yen was showing signs of recovery, after remaining closely tied to the weakening dollar for some time, and rose to its highest level for £ in New York March 2 Prev. close Spot | \$1,4850-4840|21,4860-4870 1 month | 0,10-0,12 dis | 0,10-0,11 dis 3 months 0,42-0,44 dis | 0,42-0,44 dis 13 months 2,52-2,57 dis | 2,17-2,22 dis and rose to its highest level for

FORWARD RATES AGAINST STERLING 3 month 1.4854 3.80 12.0150 3.15 335.8 3.1113 333.6

BANK OF ENGLAND TREASURY BILL TENDER Bills on offer.. Total of £509m £488,475m Average £100m | £100m | rate of discount 8.5909% 8.847*5*% 8.78% 9.04% Minimum accepted bid £97,855 £97,79
Allotrent at minimum level... 74% 44% £100m

THE DOLLAR SPOT AND FORWARD

Sterling was slightly firmer

2.9085-2.9185 2.9160-2.9180 52.70-53.00 52.88-52.90 3.4650-8.4925 9.4700-9.4750 22.5630-2.5640 130.00-130.70 140.50-130.70 140.50-130.50 140.9 1.00-0.90c pm 11-14c dis 0.20-0.70ore dis 0.96-0.91pf pm 175-375c dis 110-125c dis 94-101re dis 1.80-2.30ore dis 3.70-4.20c dis 0.40-0.90ore dis 0.67-0.53y pm 1.22-1.18c pm 1.2. Currency. Fi 3.23 3.42-242 pm -2.84 34-38 dis -0.57 0.10-0.40ds 4.36 2.83-2.78 pm -25.33 450-900ds -9.47 315-360dis -7.17 25-360dis -3.29 5.10-5.60ds -5.97 13-14.50dis -1.01 0.95-1.45ds 3.43 2.15-2.17 pm 3.83 18.25-17 pm

CURRENCY MOVEMENTS CURRENCY RATES

Mar. 2		Morgan Guaranty	March 2	Bank rate %	Special Drawing Rights	European Currency Unit
		Сћапрез%	Sterling			0.584016
terling	82.4	-9.1	U.S. \$ Canadians	10,07		0.865396 1.08226
J.S. dollar	125,6	+14,8	Austria Sch .		19,3550	15,7676
Canadian dollar	90.4	-0.6	Belgian Fr	111	56,17 6 1	45,8032
Austrian schilling	117.9	+4 <u>.</u> 0_	Datiish Kr	7	10,0741	8,20178
Selgian franc	80,8	-10,9	D'marK		2,74536	2,23618
Danish kroner	79.8) —8.3	Guilder) 5	3.09577	2.52438 -
Doutsche mark	128.2	+9,2	French Fr		8,45950	6.89287
Swiss franc	149.1	+11,0	⊔га	16 -	1709.02	1893.72
Guilder	116.7	+6.0_	Yeп		247,522	201,611
French franc	67.5	14,5	Norwen Kr	} ₿	7,94567	6.47618
Lita	48.9	I2.9	Spanish Pte.	l	158,132	128,944
Yen	156.4	+13,1	Swedish Kr	814	6,23343	6,70897
	· • · ·		Swiss Fr	4	2,29515	1,87056
Morgae Gueranty			Greek Dr'oh	2012	107.176	B6.9548
1980-1982—100. Bai (base average 1975		may (BOEX	*C\$/\$DR :	ate fo	March 1:	1.32667.

EXCHANGE CROSS RATES

Mar, 2	Pound St'rling	U.S. Dollar	Deusche m	k JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	(talian Lira	Canada Dollar	Belgian Franc
Pound Sterling	0.675	1.481	3,830	335.0	11,79	8,193	4,325	2882,	1,853	78.35 1
U.S. Dollar		1.	2,584	228,0	7,965	- 2,154	_ 2,917	1609,	1, 25 0	
Deutschemark Japanese Yen 1,000	0,261 2,959	0.387 4.282	11.35	58,25 1000	5.078 54,88	0,834 9,446	1,129	621.8 7046.	0,484 5,481	20.46 231.8
French Franc 10	0,848	1.256	5,249	286,7	10.	2.701	3,666	2020.	1.871	65,45
Swiss Franc	0,313	0.464	1,200	105,9	3,693	1.	1,354	746.0	0.580	84,54
Dutch Guilder	0,231	0.343	0.886	78,20	2,728	0.739	1.	551,0	0,429	18,13
Italian Lira 1 000	0,480	0,622	1,608	141,9	4,951	1,341	1.815	1000	0,778	52,90
Ganadian Dollar	0.540	0.799	2,057	182,5	5,364	1.723	2.333	1286.	2.564	42,99
2 :Igian Franc 200	1.876	1.890	4,888	431.4	15,05	4.075	5.517	3040.		100

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar, 2	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgia Conv.	n Franc Fin,	Yen	Danish Kroner
Short term	9년-9년 9년-9년 9년-9년	912 914 915-911 914-10 10-1014 10-5-1012 1034-11	914-954 959-978 959-979 916-913 10-1014 10-8-1059	614-613 614-613 6-613 614-614 614-614	254-3 212-254 354-312 356-354 378-4 418-414	54-512 512-558 558 534 534-518 518-618 618-618	1214-1254 1218-13 1558-1678 1612-1714 1612-1714 16-1658	1534-1634 1534-1714 1659-1719 1714-1734 1719-18 1814-183a	91 ₆ -10 121 ₄ -131 ₄ 123 ₄ -131 ₄ 13-131 ₂ 123 ₄ -131 ₄ 121 ₄ -123 ₄	954-104 114-114 12-124 12-124 12-124 12-124	61g-65g 61g-65g 61g-61g 61g-61g 61g-61g 61g-61g	9%-10% 104-10% 11-11% 114-11% 114-11%

Asian \$ (closing rates in Singapore). Short-term 9^{12}_{12} per cent; seven days 9^{12}_{12} per cent; one month 9^{1}_{12} per cent; three months 10^{1}_{12} per cent; six months 10^{1}_{12} per cent; one month 10^{1}_{12} per cent; 10^{12}_{12} per cent; four years 12^{1}_{12} per cent; five years 12^{1}_{12} per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice

MONEY MARKETS (

Conditions tighten but rates fall

Credit conditions tightened sharply in the London money market towards the end of last week, after a fairly comfortable start. A major factor behind the sudden change was the pay-ment of £1bn in Petroleum ment of £1bn in Petroleum Revenue Tax, due on Thursday. After other factors were taken into account this left a shortage on the day of about £800m, which the Bank of England mainly absorbed by £651m of bill repurchase agreements.

The authorities now hold so many hills that the uninidate. **MONEY RATES** many bills that the unwinding of earlier agreements and the reinancing of bills maturing in

official hands are nearly always the major reasons for daily shortages, and clearly another Elbn in tax money was going to strain the system too far. It was with this in view that the Bank of England announced

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

a gilt repurchase agreement the previous week, and on Friday the banks took up £668m of the possible £900m available, roughly offsetting the adverse factors and leaving the day-to-day credit position almost flat. Conditions roughly in balance were also initially forecast on Monday and Tuesday, but these

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING bid 10 1/16 offer 10 5/16 6 months U.S. dollars offer 10 1/2 bid 10 5.8

earn, rounded to the nearest one-came, rounded to the nearest one-steenth, of the bid and offered rates or S10m quoted by the market to or reference banks at 11 a.m. each orking day. The banks are Nestonal festiminater Bank. Bank of Tokyo.

were also later revised to small shortages. Exchequer transactions adding funds to market liquidity, partly through payment of gilt dividends, were largely responsible for keeping conditions relatively easy until the change in Exchequer flows on Thursday.

Although sterking lost ground

affected by fortunes of the countries involved in the Gulf War, London dealers were more impressed by the pound's performance against the weak dollar, and this tended to set the tone for increst rate movements.

Peter declined clarify for most speculation around the City and the countries of th

speculation around the City about a possible cut in clearing bank base rates to coincide with the change in Exchequer flows on Thursday.

Although sterling lost ground to Continental currencies, and was seen as vulnerable to the world oil supply situation as yield curve in the interbank

the Budget later this month, and the Treasury bill rate fell to its lowest level for nearly six years at Friday's tender. Zurich | Amst'dam | Tokyo i

Dublin 5,5—6,55 5,65-5,80 6,78 6,90 184 125-121 184-124 1134-12 1218-1256 1236-1256 1212-1234 1234-13 6,65625 6,53125 1678-1714 11.8 1678-1714 12-1214 356-854 6,28125 17-17% 12-1214 12-1214 618-618 618-618 12

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

days rotice — — 9.91a —	Mar. 2 1984	Sterfing Certificate of deposit	Interbenk	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
	days notice days or day notice ne month wo months hree months x months lne months	918 818 918 818 918 878 9878 9878	914-914 914-914 914-914 914-914 914-914 914-914	34 34 34 31 31 31 30 30	8-8-7 8-8-7 1-	9-6-12 97g-9 85g 81g-85g	9 878	654	834-878	874-834 844-834 845-858	91 ₂ 93 ₈

9;5-9;3 10₁₈-105g

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March 5, 1984

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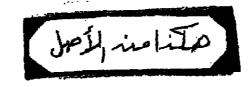
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International Construction

Contractors throughout Europe are reporting a shortage of orders, as financing problems affect both developed and developing countries. Competition is becoming fiercer, too, with newcomers from Japan, Korea, Turkey and elsewhere entering the fray

Bumping along the bottom

By JOAN GRAY, Construction Correspondent

they just think things have got

Philipp Holzmann, the German

1983 was about half the DM 3.2bn it achieved in 1982.

"We see a decrease in new contracts, like all the German

Holzmann executive Herr Pfeif-

for German construction com-

price problems started. Inter-

national contracts awarded to

German companies (other than contracts in the U.S.) were

worth only about DM 4bn in 1983, compared to about DM 8bn

in 1982 and about DM 12bn in

decrease in new contracts won

by Italian contractors overseas,

and the situation was no better in 1983, said Sra Lia Zuccia,

"1983 was the worst year

construction companies,"

get any worse," he said. The gloomy view from Britain is echoed by contractors from

the rest of Europe.

the unanimous answer from ads of British construction market prospects.

Take Mr John Armitt, assis tant managing director of John Laing International, for ex-ample. "No one in the con-struction industry in this country would say there is any sign of improvement." he says. "In real terms our inter-national workload for 1984 is on a couple of large contracts out-standing in the Middle East, but looking at 1985 and 1986 I can only say it's a different picture. I wouldn't pretend for a moment the prospect is rosy."

Mr Don Rolland, chairman of Balfour Beatty, echoes his gloom. The number of dentifiable major projects—such as dams, harbours and ports—is now very much smaller. Markets are just disappearing because of shortage of finance in the developed world, let alone the developing world, I certainly don't see any boom times."

Workload down The Italian contractors are faring similarly badly. The year 1982 showed a 60 per cent

director of Costain Inter-national is also doubtful whether there will be any early improvement. People say 1985 is going to be better, but I query on what basis—unless organisation which represents

Italian construction companies, The Korean Hyundai, for ANCE. According to ANCE's example, is now ranked at figures, the Italian contractors number 10, having moved up were faring far worse than comfrom 13th place the year before. petitors such as the French, who experienced a 20-25 per cent decline in overseas work-

On top of the gloomy reports from Britain, France, Germany and Italy, the workload of the Danish, Dutch and Belgian construction industries is

The reasons why the older European construction industries are doing so badly can be put quite simply: there are fewer projects available, and more companies fighting for

The established international contractors are having to adjust to a world where their traditional markets are shrinking and they are faced with more

giant which has this year slipped from its ranking as one of the top five international contractors, has found that its new international business in "There is a desperately competitive situation in world mar-kets because of over-capacity in the construction industry," said Mr Robin Foster, secretary of the UK international contrac-tors' trade association, the Con-Industry Export

> since the war, encouraged through the affluent times of oil plenty, and over the last three dive in the number of projects Japan, Taiwan, Korea, Turkey, Poland, Yugoslavia, China, Pakistan and Greece have all

"World capacity has built up

built up efficient, aggressive and financially innovative construc-tion companies competing for the shrunken international mar-This shifting pattern of com-petition is echoed in the rank-ing of the top international con-tractors (see Table).

Japan's JGC is now at 13 from 50 the year before, and the Japanese Chiyoda is at 25 from number 48. Turkey's Enka Insaat has arrived at number 24 from 45, and there is a new Greek entrant at number 27, Consolidated Contractors Inter-

national, of Athens.
All these companies have increased their proportion of international work over the past year. Chiyoda, for example, has, in a declining international market, managed to increase its international workload from 49 per cent of its total to 80 per cent, from \$711m to \$1.15n.

Under threat

Established European contractors feel threatened by this new competition—but, as Mr Bill Francis, a director of the UK's Trafalgar House, points out, there is a solution. "Don't compete head-on with the Japanese companies but find a specialist market. People who are efficient and competitive can develop their own markets and expand overseas."

Another approach is, if you can't beat them, join them. "We compete with the Japanese and have joint ventures with them," says Balfour Beatty's Mr Holland, who instances co-operation on power line construction with Sumitomo. "We don't with Sumitomo. "We don't mind getting under the Japanese umbrella because they are good payers and if you are a sub-contractor you can help them with the language and handling

consultants Rendell lmer and Tritton are now following opportunities arising from a recent Government British companies was spon-sored to visit Japanese contractors and trading houses to see if there were any possibilities for co-operation between them.
At the same time, however, contractors are having to look round the world, ruefully crossing off places where they can longer work because countries are regarded as too politically or financially un-stable to be good credit risks. Mr Holland of Balfour Beatty lists a number of places which have now "gone off cover be-cause they are not financially stable enough to service their so the government's

the whole of Latin America, much of Africa, Iraq, and a variety of other countries. One of the most promising new markets for construction companies is South East with its growth rate of 5-6 per cent and heavy investment. The Asian Development Bank put nearly US\$900m into just four countries—Indonesia, the Philipines, Thailand and Malaysia— in 1982, 70 per cent of which

contracting those that do look promising begin to exhibit a "honeypot effect" as they be-come the focus of attention for throughout the companies throughout the world. And, since getting construction contracts requires long term planning—major projects are not picked up by jetting in with a suitcase—newly-arrived companies are likely to find themselves at the end of a long water.

queue.
The time-lag in getting contracts is another reason for con-

Fluor Corpn., U.S.

Bechtel Group, U.S.

Davy Corpn., England 6 C. F. Braun and Co., U.S. ... 7 SADE-SADELMI Group, Italy 5 Philipp Holzmann AG, West 11 Raymond International, U.S. 12 Foster Wheeler Corps., U.S. DUMEZ, France IMPRESIT SpA, Italy Societe Auxiliare d'Eutre-Morrison-Knudsen Company, U.S.

22 Rrown and Root, U.S.

23 Costain Group, England

24 Enka Insaat ve Sanayi AS, Turkey Chiyoda Chemical Engrg. and Construcin. Company, Japan SPIE-Batignolles, France ... Consolidated Contractors Int. Export Credit Guarantee Department won't cover their Company, Greece SGE/Sainrapt et Brice, France
Nanyang Corpn., Korea
Lurgi GmbH, West Germany

Including J. A. Jones Const. Company.

cause of the time taken to win contracts, today's figures reflect the next few years the full effects of the recession will make themselves felt in even further reductions in work-

Many European contractors are unhappy, too, at what they see as a lack of government

President of the UK Construc-tion Industry Export Group, said the industry was now lobby-ing the Government to ensure that the level of ald compares with that advanced to European geared to getting in-for British industry."

The Italian contractors lowing opportunities erising tractors' concern about future are lobbying their government and look at ways other than from a recent Government workload, explained the UK for more support, and are parti-traditional ways of obtaining initiative, where a group of Export Group's Mr Foster. "Be-cularly concerned at what they work."

feel is the much more modest than their French competitors. For the established European contractors it may be that whole areas of classical civil engineering work—such as road building -no longer are going to be available to them because their costs are too expensive com They will have to look increa

ingly to the special skills they have to offer, and to become more involved in putting to gether financial packages back work they want to do. As Mr Armitt of Laing put it: "I am quite sure there is no sitting there for some bright have to work harder and more diligently at existing markets

CONTENTS Consultants in the UK Project Finance Ш Contractors Construction equipment Outlook for cement IV PROSPECTS ABROAD: North America Africa The Middle East VΙ

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In the People's Republic of Benin in French schedule. The £12.6-million contract for road and irrigation works for a sugar complex included 47 kilomata speaking West Africa, the Savé Irrigation project was successfully completed and

The growing municipal and industrial water demands of Lagos and Abeokuta

will be met by a new reservoir created in the Nigerian scrubland. Work is now completed on the £60 million Oyan River Dam and Power Station in Southern Nigeria. The 9MW Power Station will supply electricity to homes and factories in the area. Elsewhere Wimpey dams are providing much needed water and power. At Maseru in Lesotho the Magalika Dam, a £2.7 million project augments the water supply to

> the capital. And in Newfoundland we are participating in a joint £36 million venture to build the Cat Arm Dam hydro project including a power house, the main dam, power installations and a number of smaller rock filldams.

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huab. A total on 350 beds. At a cost of £285 A WILL by THELE and an Road. In spite of terrible weather and difficult is supply lines, work in Kenya Is complete the building of houses has been at the core of our activities for over 50 years and continues to grow internationally. In Trinidad, where we have just completed a £7 million housing contract at Arouca, George Winney ("aribbean) has won a further £7 million housing to contract at hock of in Port of Spain. To her 1984. Sultanate of Ornan has completed a £11.6m contract for a housing complex for the Oman Cement Company.

Wimpey Canada completed contracts for a coal crushing and

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INTERNATIONAL CONSTRUCTION II

The competition intensifies

BRITAIN'S construction con-sultants working overseas, had their best year ever in 1982-1983. The combined earnings of engineers, architects and quantity surveyors totalled almost £619m, a contribution almest 5619m, a convicuous to the economy which, says Mr Alan Parish, chief executive of W. S. Afkins, exceeds that made by UK banks. However, neither he nor his colleagues among the other top international consultants, are very optimistic about the future as far as overseas work

is concerned.

The changes afoot are all related to each other. The world's ell-based economies, which kept British consultants busy for the past decade, are beginning to feel the pinch. As a result, there is more insistence on value for money in construction. for money in construction projects and less whim and

competition is getting tougher all the time—and winning the work is far from the end of the difficulties. Taking advantage of the "clients' market" situation, some countries are making it increasingly difficult for conmitants to obtain their fees

salants to obtain their fees in hard currencies, and to remove their earnings from the country of origin.

"You don't go abroad for your helidays," says Mr Owen Luder, who has many years' experience. "Be light on your feet. Don't get overexposed, try and get fees 'up front' Be prepared for a hard sleg. pared for a hard sleg.

"On the other hand, you may be pleasantly surprised by the better relationship

WHAT WE now face is a

buyers' market and probably the major factor in awarding

contracts is the financing package with which the dif-

ferent companies or consortia bidding for a project can come

ingly becoming involved in construction projects as the complexity of the financing packages grow. "A detailed fin-

ancial analysis of the package is a critical part of choosing among a number of perhaps

It seems that today the pro-cess is to first draw up a short list of those thought likely to

be able to do the work accord-

ing to the customers' wishes— a list of usually half a dozen

groupings—and then go with a fine tooth comb through their plans to finance the work.

Previously, project finance tended to be based almost

This is now very rare as cost over-runs have become the

norm and two years into a tightly financed scheme it is not

possible to go back and raise

TERRY POYEY

more cash on the basis of the

same land and earnings fore-

to be automatic, so the financing schemes have had to

package—a mix of funding drawn partly on a value plus earnings basis (and this prefer-ably ded to firm commitments

from end-users), plus other kinds of finance.

fixed quantities of end product at more or less fixed prices is

The old form of "pure project financing" is therefore under great pressure from two directions—from both lenders

and end-users. What the lenders

casts. As the need for addi-ings.

merchant banker, bant banks are increas-

equally qualified

which develops among the professional team and the contractors when working overseas. Finally, never expect to get paid the last 10 per cent of your fee—you probably won't."

One remedy is working in Third World countries on projects financed by the World Bank and other inter-World Bank and other inter-national agenties. They are usually good clients and the schemes they support are im-portant and satisfying. But in terms of overall sums, this source is little more than a

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the ECGD's standard investment insurance has provided cover again losses arising from war, expropriation and restrictions on the transfer of remittance for a flat rate premium of £1 per cent per annum, plus a commitment premium of £0.25 per cent per annum on a reserve amount for future retained earnings At the end of September 1983 the ECGD was covering 179 different schemes in ever

40 markets, worth some £192m. A month later, the cover scheme was improved to vary the premium rates depending on an assessment of the host country, include cover against loss arising through the political repudi-ation of a commitment given crease cover on the revalu-ation of fixed assets and in-crease cover for a higher level of earnings retained in the

World Bank is not itself directly

involved in projects.

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effective body of knowledge and expertise in the world, the IFC's blessing performs much

the same function for a project in the eyes of lenders as does the IMF for sovereign

never been defaulted on and operates a cross-default system.

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nearest the IFC comes to under-

writing a project on behalf of all its creditors.

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the customer—and, for example, in the Blue Circle

cemment deal in Indonesia they clearly see themselves as working to make sure the pro-

ject is a success. They also try to make sure that all the

Other international agencies

also involve themselves in pro-ject finance—for example, European Investment Bank,

Asia Development Bank and

the African Development Bank
—but their role is circum-scribed by a need to protect

Latin American organisation equivalent to these and the problems of Singapore's Private

investment Corporation (Picca) serve also as a warning to the less well funded of these group-

As far as the various export

credit agencies are concerned, the problem is often that they have no special knowledge that

ments of projects—unlike the IFC. For example, the UK's ECGD has "no one who can

evaluate projects," commented

one banker. The best way to get project

seed-money, say contractors.
On the technical side of the

financing arrangements, a major development has been in both leasing and in leveraged leasing. Under a leasing scheme—which has the advantage of being off balance sheets—the user rents

Lending climate

uncertain

Previously, project finance investors get a fair return need to be based almost although "they would not tally on a project's intrinsic necessarily put a lending bank with the lend and the contribution of the lend and the len

its future earnings capacity. This is now very

Project finance their own ratings as borrowers. The collapse of the

This has produced the hybrid enables them to make assess-

End-users have become very related funds out of the ECGD wary of making hand and fast has been found to be to first commitments. Variations in get the backing of the Common-product prices have been so wealth Development Corporation or the IFC and then get.

wide over the last five years thou or the art and that the bankable contract ECGD involved purely on an locking in a set of customers to export financing basis. Such fixed quantities of end product funding can be important as

wish to see are fairly solid balance sheets—the user rents shareholders who can provide his requirements, additional funds should they, as is almost always the case, be necessary. In addition, some done with an eye to tax advantiand of guarantees to put in tages. Often financing is put funds, even if only half the sum the tax benefits are greatest.

involved appears "on the the tax benefits are greatest.

Of the last 15 projects involving investments of more than the government is the customer for example, in Thailand and leveraged basis. Leasing is also

--for example, in Thalland and leveragen basis. Leasing is also in many of used to gain access to yen funds the Middle East states—some kind of government involvement is crucial; ideally, as far trol of the Ministry of Finance as any debts are concerned, or an agreement to pick up the product come what may in the Japan than attempt to borrow market place.

product come what may in the market place.

With the lending climate of the last few years being fairly uncertain—and, as one observer says, "one has to remember that lenders are essentially simple lraq to postpone plans and to seek extended credit terms, lenders are now all the more good risks and not at all to uncertain one"—being able to provide solid backing, both governmental and from other shareholders is highly rated.

One organisation which is playing a very important role in project work is the IFC. The

project work is the IFC. The will simply shop elsewhere.

overseas enterprise.

W. S. Atkins have experienced six months delay in getting claims met, and are also unhappy that the ECGD takes into account fees paid-by the host country in its local currency, however worthless such payments may be to the consultant. However, the firm insists on covering all its everseas projects

ing all ity overseas projects with the ECGD—unless they are financed through the World Bank. Atkins' overseas workload has already declined from 55 per cent of their total to some 40 per cent, and similar reductions are experienced by other major consultants. In

Consultants in the UK MIRA BARHILLEL

Instead, the client's atti-tude has changed towards treating the consultant more like a contractor, and demand-ing competitive hids. Even with shortlists tide is an ex-pensive process, and care must be taken to recycle the work invested in abortive bids.

creasingly competitive atmosphere, says Mr Parish, is be driven out by under-bidding. However, it is still widely acknowledged that UK consultants have the edge in terms of impartiality of advice, including the choice of contractors. Al-though British contractors may complain, their profes-sional colleagues insist that they cannot afford to favour their companiots.

The current exchange rate is also helping our consultants, especially in competition with U.S. engineers.

tion with U.S. engineers. There is general agreement that the pound should not rise higher than £1=\$1.5.

The Middle East continues to feature prominently for work in hand. Manusell Consultants and Cairns and Byles, with additional help from Department of Transport specialists are revolutionistics. road traffic in Kuwait.
In addition to an extra

200km of motorway and expressway, they are advising

matic incident detection. Scott Wilson Kirkpatrick and Partners have been

and Partners have been instrumental in creating a comprehensive tourist map of Baghdad and are involved in a street numbering project for the municipality. The UK Overseas Development Administration, which interest projects in the Third World, appointed engineers Cremer and Warner to help Egypt produce its own triple superphosphate from an indigenous raw material to provide low-cost fertiliser and reduce the country's imports reduce the country's imports

In Zimbabwe, the economic consultancy arm of Ove Arup are trying to find the most economically and technically suitable capital development rogramme for the country's programme for the country's natural resource"—grass-fed beef. In Hong Kong, on the other hand, solid waste disposal is a major problem of the overcrowded community and Blame and Partners are working on a

All these are examples of the degree of diversification of Britzin's consulting engineers into fields where their expertise may come in very handy when supplies of very namely when supplies in major international adrports, hridges, dams, mass transit systems and power stations begins to dwindle.

British architects are extending their overseas activi-ties, and more and more are being rewarded with the Queen's Award for export achievement. Among this year's winners are Architects Co-Partnership who have built hospitals in Saudi Arabia, Iraq and Trinidad, four technical schools in Oman and exhibition com-plexes in Sudan and Jordan.

YRM also won the Queen's Award for work on university buildings in Bahrain and Gman (including the controversity, where Cementation are the main contractor) and banks in Hong Kong.

have been involved in university projects in Nigeria and Libya. With Ove Arup they are designing a high-security printing and mining complete the the fortune of the control of the contro plex for the Central Bank of Iraq.

competitions included Gollies Melvin Ward (GMW) for a Dubal food market; and Anthony Goss Associates for

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Algeria Brazil Ethiopia Gabon Ghana Iran Liberia Libya Morocco Sierra Leone Syria Togo List of main works recently carried out or under construction in foreign countries:

Three textile plants at Tebessa. Aind Beida and La Meskiana:
Eight cereal silo stations (in Ly.).

Ethiopia

Legadadi Project including concrete dam, rockfill dam, intakes, treatment plant, 22 km watermain, water reservoir; Yemaskai Tarara residential compound of six four-storey buildings:
Several buildings (Kennedy Memorial Library, mineral water bottling plant, etc.).

Gabon

Owendo timber port at Libreville; Law Courts Building at Franceville; Kelle Lekoni Road;

Kelle Lekoni Road: Railway station, railwaymen village and school centre in Transgabonaise Railway (in association with other companies); Watermain and reservoir at Mounana and M'Vengue.

Ghana Concrete and earth dam at Weija;

- Libya

Airport at Sarir for Civil Avaction Department (in Ly.):
Residential compound at El Beida consisting of 18 five-storey buildings;

benghasi sewerage network: 50 km of asbestos cement pipes up to 1,200 mm diam.

Logistical base ut jalo for AGIP Oil Fields Department. Water treatment plant at Bou - Regreg - Rabat

-Sierra Leone

Design and construction of the Bumbuna Hydroelectric Project. List of highly specialised works carried out or under construction in Italy:

— New Headquarters of the Post and Telecommunications

Ministry in Rome, E.U.R.:

Restructuring and reinstatement works of historical buildings in the centre of Rome; Acerenza Dam in Basilicata:

Genzano Dam in Basilicata; industrial development area at Latina, Rome:

infrastructures and poliuted water treatment plant in Catering and facilities for Fiunticino International Airport.

Treatment plant and collector network in the Salerno area for pollution control in the Gulf of Naples (in j.v.); Ostia (Rome) General Hospital; Various buildings for dwelling, schools and hospitals.

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Specialised approach to markets "DIVERSIFY and specialise" could be emblazoned as the inlong-term finance for them. ternational contractors' new it is a slow process. You

workloads in the UK and over- Then when you've identified it, seas.

Mr Bernard Woodman, chief executive of Tarmac International, explained: "We used to concentrate on the oil-rich countries just like every other."

International countries in the should benefit from our two years of growndars."

International countries in the first might take two years. But the two years of growndars. But the countries just like every other.

International countries to put in a proposal ton, and now hopes to benefit without a licence, but in the straightforward roadworks without a licence, but in the construction construction because that's where the Third construction and the countries start to do their own construction and we don't only person who can do it."

One way Costain is living with more complex inbs.

to concentrate on the oil-rich countries just like every other contractor in the world. That meant there were huge tender lists with 50 or 80 companies bidding for every project.— which put our chance of getting the work down to 50 or 60 to one and meant we could only get the job on price.

"So our philosophy need to be should benefit from our two years of groundwork."

The issues are somewhat different for Ballour Beatty. "New markets? There's not many new countries left for us because we've been working in nearly every country in the world already," said Mr Don Holland, the chairman.

"So our philosophy now is to forget the oil-rich countries first British companies to spot and to look at the under the potential of Indonesia as a new market. It has been there tries where we can ensure find for nine years and is working ing before we get the work and on a £240m contract to build a provide them with a total de hydro electric dam, which has required cliff-hanging renegotia-tion as the government has run

into cash problems.

The company also spotted the Philippines as a potential new market, and is now working there on contracts for power stations worth £40m. "But getting into the Philip-

is to aim for developing com-tries such as Algeria, Gabon, Thailand, Malaysia and Indopines was tough for a British company because the market and as having potential mineral wealth, the British Government's Export Credit Guarantee Department and the banks will provide long-term loans.

The second is for the company itself to identify and suggest major projects which need to be done and to arrange the company because the market joint ventures and was dominated by the Americal packages."

John Laing does in trying to create only way in was to station people there." They eventually got the £40m work after investing £250,000 over more than two years.

ong-term finance for them. Another new market Balfour director of Costain InterMr Woodman emphasised that Beatty is aiming for is the U.S. national, explained why. plete design, finance and cont is a slow process. "You —and here the company is hop"It's a good idea in concept," struct packages drawing on all
ton't go in this week and get ing to build on its expertise in he said. "But it's not so easy the skills of the group."

INTERNATIONAL CONSTRUCTION III

Contractors

John Laing International, whose activities have so far centred on the Middle East, is also involved in a search for new markets. "We're looking everywhere and trying to narrow it down to places where there is growth and oppor-tunity," said Mr John Armitt, assistant managing director.

"We've not yet decided where we're going to make a concentrated effort and for now are just trying harder in our conventional Middle East market. We're also looking at ways other than our traditional ones of obtaining work, such as taking on more management contracts overseas, increasing joint ventures and use of finan-

cial packages."

John Laing does not believe
in trying to create projects by
identifying infrastructure needs and suggesting how they could be met, said Mr Armitt. Costain is also wary of this approach to

The company has already done this on contracts to build a dam in Sri Lanka and a bank in Egypt.

> nesses to develop their own high profiles, be they Cunard, the Ritz or top table construction the companies such as Cementation, after an earlier smelter it built Redpath Dorman Long, Trollope in Bahrain. and Colls or Cleveland Bridge."
>
> Wimpey spotted aluminium smelters as a growth market, Trafalgar House director.
>
> Mr Candlish explained, "not

knowledge," said Mr Tarrant.

Dubai and Oman.

said Mr Tarrant.

"We are also trying to be more competitive, to improve our methods of bidding, to

obtain good prices from sup-

House Construction as part of sources of power.

plete design, finance and con-struct packages drawing on all

ternational contractors' new it is a slow process. "You and here the company is hopmotto for survival.

Take Tarmac, for example, which has had to change its markets and philosophy radically in the face of declining workloads in the UK and over workloads in the UK and over to what the country seals in the UK and over to what the country here identified it, the same to what the country here workloads in the UK and over the same to be a same to a same to be a same to a same to be a

One way Costain is living with the recession is "by learning to more complex jobs.
"Few people in the world cut our cloth to fit the situation could, for example, do what we we're in," said Mr Tarrant. The are doing in the Hong Kong company is looking at its overheads carefully and has, for quarters building in Hong Kong, heads carefully and has, for example, moved its head-quarters from London to Woking and cut its administrative staff by 5 per cent.

It is also looking carefully at the cost-effectiveness of its area offices in Barrain, Abu Dhabi, where we have got a £110m con-tract for supplying steel to toler-ances we are used to in the North Sea."

Mr Francis also emphasises the importance of providing a complete specialised service in getting work overseas. "If you put up a hotel, such as the Hilton which we did in Bahrain you even supply the napkins if that's what the client wants," he

pliers, to widen the scope of where we go, to see if we can do jobs more efficiently and cut the cost by reducing the number Wimpey has also decided to move to the U.S.—and to take advantage of its skills as a leading housebuilder.

of men, and to use new methods of planning and progressing," Wimpey has bought house-building companies in Texas and in California. It plans to be Costain too is trying to make increased use of the expertise it has built up overseas in probuilding 2,000 houses a year in the U.S. by 1935, and hopes that ject management. "Rather than fixing reinforcements and this will help compensate for the downturn Mr Tom Candlish, pouring concrete we could, for the managing director, sees example, put management into coming in the UK housing market.
Another way Wimpey is diver-

a local company in a country where our management skills can complement their local sifying in response to the recession is by turning to multidisciplinary industrial projects which draw on the group's electrical and mechanical engineer-ing as well as civil engineering

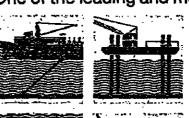
Trafalgar House has kept a low profile as a construction group until now, when the recession has made it change its forward financial packages to approach. make it attractive to the client,"
"We encouraged our busi said Mr McDowall.

"But now we've put all the because there is a resurgence in civil engineering companies smelters but because they need together to market as Trafalgar to be moved to the cheapest

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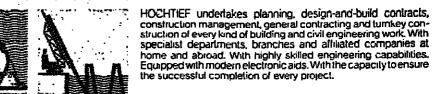
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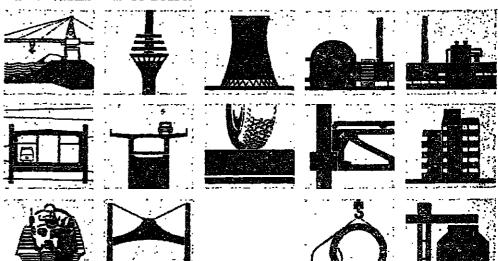
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Public spending cuts bring need to diversify

THE COLLAPSE late last year of IBH Holdings, the large of IBH Holdings, the large that none of its major operate the Scottish plant.

West German construction equipment group, will provide some pelief from the excessive competitions prevailing in most construction sectors of this deeply depressed industry. But most construction equipment manufacturers expect a further lengthy period of poor trading conditions and restructuring of manufacturing dozers, with turnover of about the collapse of IBH is that none of its major operate the Scottish plant.

The other IBH subsidiaries appear to have fewer prospects half months after the group of survival than Terex, Hymac, the UK excavator manufacturer, is in liquidation, as is Hanomag of West Germany. The French subsidiaries, the Maco Meudon compressor maker and Deruppe, of small wheel loaders and while awaiting a "French solu-

developed and developing countries where we can ensure fund-

sign, construct and finance package."

in Tarmac's new approach, Mr Woodman explained. The first

nesiz where, because they are regarded as politically sound

and as having potential mineral wealth, the British Govern-

There are two key elements

of poor trading conditions and of small wheel loaders and the excavator maker, languish restructuring of manufacturing dozers, with turnover of about DM 200m and 800 employees.

The industry depends to a White Consolidated Industries wery large extent on public sector capital spending. Most gove Knox, the UK manufacturer of subsidiaries is rescued, no one for capital spending, and capital paving equipment, saving 160 in the construction equipment rein in spending, and capital jobs in Kent.

Projects are usually the first bleaker as time passes.

Mr Eric Johanson, president of Volvo BM of Sweden and president of the European Com-

economy drives.

Demand for the construction equipment has dropped by 30 to 50 per cent since 1979. For example, the number of crawler tractors sold in the U.S., fell from nearly 20,000 units in 1979 to 8,000 in 1982. In the UK, backhoe loader sales tumbled from about 6,000 & year to 2,500 over the same period.

same period.

Not surprisingly, the main construction equipment manufacturers have suffered sharp declines in output and financial performance. Caterpillar Tractor of the U.S., the industry leader, went into loss in 1982 for the first time in 50 years, and had another loss last year J. I. Case of the U.S. and Fiat-Allis of Italy, the third and fourth largest competitors, have also been suffering big losses. Only Komatsu of Japan, the fast growing number two in the industry, has maintained a reasonable record through the recession, but its performance too began to flag last year. Net profits in the first half were

wn 14 per cent to Y14.75bn (\$60.8m). Still, it and J. C. Bamford Excavators of Britain are probably the only two major producers in the world that still

ducers in the world that still make profits on construction equipment manufacturing JCB, which is privately owned, had large companies would have the pre-tax profits in 1982 of £110m.

Given the drastic trading conditions, it was surprising that the industry went so long that the industry went so long without a major shakeout. It has now become clear that IBH only survived as long as it did because of some irregular banking and accounting practices.

From the industry's point of From the industry's point of view, the most significant thing

nain types of in the IBH group s Terez the manufacturer of large off-road trucks, wheeled loaders and scrapers. Terex, with manufacturing operations in the U.S., Scotland and Brazil, accounted for about 40 per cent of total IBH turnover of DM 2bn.

Terex was acquired by IBH from General Motors of the U.S. in 1980 and GM became one of the largest shareholders in IBH with a 19.6 per cent stake, GM was also a major creditor and

Construction equipment

IAN RODGER

has been active in efforts to try since the IBH collapse. since the IBH collapse.

The U.S. Terex company is operating under Chapter 11 of the U.S. bankruptcy laws, the Brazklan subsidiary is still trading normally and the Scottish subsidiary went into receivership in mid-November.

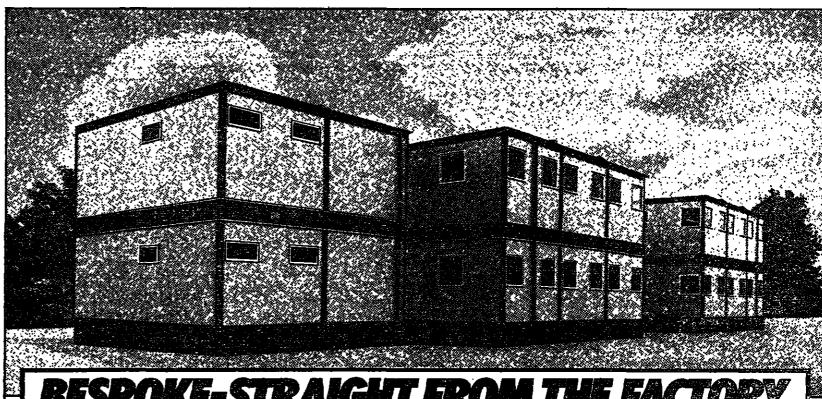
By far the largest subsidiary president of the European Committee for Civa Engineering
Equipment (CECEE) forecasts
further significant structural
changes in Europe, but expects
they will happen only gradually.
The Europeans are beginning
to worry about the rise of Japanese competition in their home markets. So far, the advance of Komatsu, Hitachi and others has been felt mainly in Europe's traditional export markets in Africa and the Middle East.
But in the past three or four

years, the Japanese have cap-tured more than a quarter of the British market for hydraulic excavators, one of the few pro-ducts for which demand has continued to grow through the

The British manufacturers have been attempting to fend off the Japanese advance and have enlisted the support of CECEE. In the past few months. there has been evidence that the Japanese have acknowledged the problems that they have helped create, notably a 30 per cent fall in prices in the UK in the past two years.

Whatever happens, Mr
Johanson believes that the in-

dustry must avoid promoting protectionist measures. The



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timber framed construction, indeed, they have a new Steel Fabrication Division at their factory at Langley Mil. The manufacture of major structural

elements under controlled conditions makes accurate timing, careful cost control and a quality assured product possible. block for

Southport General Infirmary built for Mersey Regional Health Authority in the Vic Hallam Derwert System is a combined timber and steel structure. Hallamcabins provide fast, temporary accommodation for a wide range of situations.

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INTERNATIONAL CONSTRUCTION IV

Computers cutting time and costs

had not won the now con-troversial £300m. Oman with concrete floors and in the doubt in the mind of Barry Myers, the managing director, the work would have to a non-UK contractor. That would have been unfair, he adds, because Cementation is delivering a fast-track, four-year programme which he believes no one else could

miversity for 3,000 students, complete with all the auxillary complete with all the auxiliary buildings and residences, on a desert site. Time is an important factor, and Gementation is cutting time in two different ways.

One is related to how the contract is managed. The contract

tractor is fully in charge, directly employing the architreets and specialist consultants.
The drawings are computerised, both the architectural
working drawings and the elecworking drawings and the elec-trical and mechanical diagrams—a growing trend among many consultants as well. Another important management aid is stock computerisation, vital with over 12,000 items in store,

approach on the Oman contrac is the casting of complete room units in tunnel forms or table forms, which allows for a table forms, which allows for a 36-hour turnover of units for either low- or high-rise con-struction. The method is not new, but the techniques have been refined and the steel shuttering allows for in-situ casting of arches as well as the Another refinement of existing technology allows for the casting of larger units and beams which saves time and gives more design flexibility.

On the other hand, the us of solar energy, which may have been thought a natural in such a warm and sunny climate, has been rejected as not being cost-effective. The combination of improved,

time saving construction methods and the use of com-puters in design and draughting in what remains a very conven. IT IS tempting to draw now making its money in the ing with recession, the difficulty tional and traditional industry, parallels between the cement U.S., having bought up plant has been to keep the market. There are certainly two techno- and steel industries in the from struggling U.S. coment stable at the same time, logical revolutions going on, European Community. The pro- makers in the late 70s. The All Ten producing countries but there is, for example, a growing realisation of the potential for speed in using composite profiled steel decks The speed of construction of

erned by the number of cranes that can operate simul-

If the floor is a precast con crete slab, the crane is required to place the slabs which are too beavy, to be manhandled; in addition, a reinforced screed ful rechast to be laid on top of the came in

manhandled into position, freemanhandled into position, free or its comestic market when it ing the crane for other work. A announced consolidated 1983 survey of construction times profits of \$26m to \$29,6m, up carried out by the constructions. Like many leading European tional steel association CON-STRADO has found time sav- cement producers, Lafarge is

If Cementation International ings in the region of 5-10 per tion. Cost savings were made

> with the growth of computer design and detailing, coupled with automated fabrication promore accurately engineered When construction on site be comes little more than assembling prefabricated components together, says CONSTRADO, then low-cost buildings will be aroduced which are efficient. produced which are efficient, pleasant to look at and very cost-effective.

Technology

MINA RABANIFI.

UK market, is the lightweight, teel-framed, highly insulated yorkon building. This is a permanent structure, made by a subsidiary of Portakabin, and offering very competitive building costs compared with traditional economics. distonal construction.

The savings are most pronounced in the area of com-puter suites, of which Yorkon have already supplied over 18. Their cost per square metre is quoted at between £280 and £580, depending on specifica-



convert an existing building

tors have substantial investments in research and develop-ment. Wimpey have built up their laboratory at Hayes into a \$30m business, and several of its specialist activities have already been "pushed out of the nursery" to stand up as commercial operations. For example. Wimpol is now a market leader in hydrographic surveying and navigation.

Fabricators, jointly owned by Wimpey. It is expected to be the forerunner of many deepwater applications. The company also leads the world in designing and making connections in offshore structures with cement grout, sided by tiny nuclear sensors to detect when

many who are using more and more computer technology. It years time any profes has even built 150 micros to its practice not involved in continuous c On the energy saving side,

ment which can look into a wali cavity without damaging it. Its infra-red thermography technique can locate zones Many of Britain's top contrac-

Consulting engineers W. S. Atkins have 25 years experin-house. They are well aware of the rapid developments in the past few years in the use of computers, which for most reying and navigation.

The hull of the world's first restricted to conventional ension leg offshore platform is accounting and calculating seing completed by Highland applications. Not any more.

Atkins have two computer-aided design (CAD) systems-one in two dimensions, the other in three. On a recent proings required, no fewer than 700 were done completely by computer. The time saved was

believing firmly that in five practice not involved in compu-ter technology, including CAD, tion, whereas traditional tender own design and specification— ter technology, including GAD, prices are in the £780-£840 and sold several of them to BP, will be out of it altogether. The writing, they say, is on the VDU.

EEC producers struggling with over-capacity

duct is basic and the industry is energy intensive. Like steel, hand, have nowhere ease to be the cement industry is struggling to rid itself of over-industry has found the means to its survival in the saturated markets not simply

decline, or at least stagnating. The similarities end there, however. One of the most force ent illustrations of this came in February when Lafarge slabs to get a level floor.

In contrast, a profiled steel producer in France, and one deck can be lifted as a bundle, of the biggest in the world, laid upon the beams—and then failed even to mention the state Coppée, the biggest cement of its domestic market when it

Like steel, EEC cement producers are also facing an insidious attack on prices by relatively small volumes of important matheds and transport experience of bulk cement, and transport experience of the community matheds and transport experience of bulk cement, and transport experience of bulk cement experience of relatively small volumes of imas improvements in manufacports from "third countries." turing methods and transport
Also like steel, demand for have made nonsense of buildcement seems to be in terminal ing a string of small plants as close as possible to particular markets. Lafarge is unlikely to lose much weight in the mar-ket by carrying out planned plants.

Even so, the 12.04 per cent fall in estimated EEC cement consumption between 1980 and the end of last year must worry producers. Belgium has suffered the worst decline of the EEC Ten, with consumption felling nearly 25 per cent to 4.2m tomes of cement last year. The etherlands cement market has also dipped sharply, by 22 per cent to 4.6m tonnes.

French consumption has fallen 18.6 per cent from 28m tonnes in 1980 while the West German market is nearly 17 per cent smaller than the 32.5m tonnes recorded at the beginning of

Falls of 6 per cent (to 13m tonnes last year) in Britain and tomes and year) in smass and
7 per cent (to around 6m
tomes) in Greece look posiavely encouraging by comparison. But the British market
is jeakously guarded by the
three main producers, Blue
Circle, Rughy Portland and FRZ
Cement and imports have long Cement and imports have long taken, less than 1 per cent of the market, compared with about 5 per cent in West Germany and between 2 and 3 per cent in France. The Italian cement market,

the biggest in the Community, has proved to be altogether different. Between 1973 and 1982, Italy was the only European country to record a rise in per capita cement use, which moved from 648 kgs to 729 kgs per person—nearly double the French and West German figures. Between 1980 and 1983, total consumption has fallen only 1.9 per cent to 40.5m formes and was actually rising until the end of 1981.

The Italian producers, led by Italcementi, with some 36 per Halcementi, with some 38 per-cent of the market and Unicen, with 18 per-cent, give over just 0.4 per cent of their market to imports and they argue that only high port charges and diffi-culties in transporting bulk cement to the ports, has pre-vented them from exporting more aggressively.

Exports reached a neek 1.7m

Exports reached a peak 1.7m tonnes in 1979 but quickly slumped to 623,000 tonnes in 1982—some 1.5 per cent of total imports, and against the danger Italian output

The adaptation to broadly lower demand throughout the Community has not come cheap. While building modern, efficient plant and scrapping obsolete and excess capacity may be the most obvious first step in deal-

French prices have risen only 10 per cent, to around £24.60. In Germany prices had moved nearly 31 per cent to £28 a found and in Italy by 32 per cent to £26 a tonne.

Those list prices disguise two important facts—costs have grown to such an extent that

Cement

PETER BRUCE

some prices being achieved (as opposed to being listed) might now be lower in real terms than in 1980 and in order to meet the challenge from third country imports substantial discounts are being offered to customers throughout all but the most inaccessible EEC markers,

West German prices, for instance, rose nearly 6 per cent in January 1983, but there is now a real danger, industry observers believe, that West German producers may have in retreat so as to compete with cheap imports from East Germany and Poland. The politics of deteries between the two Germanies appear to have opened the way for East Germanic compete to the compete the statement of the compete the man cement to take increasing share of the West German market even that market is shrinking

There are already signs of there are already signs of this happening in Northern Ireland. White Mountain Quarries, a Belfast-based ready-mixed concrete contractor, has been importing surplus West German cement into the province which was, until a year asso considered the processory of the p vince which was, until a year ago, considered the preserve of Blue Circle. White Mountain took about 25 per cent of that market in the first year, forcing Blue Circle into making a series and threatening of price cuts and threatening the future of at least one Blue

Circle plant in the prov threatening to begin importing the same cement right into the heart of Blue Circle's UK domain—London—and fear of that move was almost certainly the high threaten the same of behind the big three UK pro-ducers' decision not to raise

of turning on each other, remains to be seen. *Converted from local curren-ces at relevant 1980 and 1983 dates:

Note: See also West European November 1983 edition

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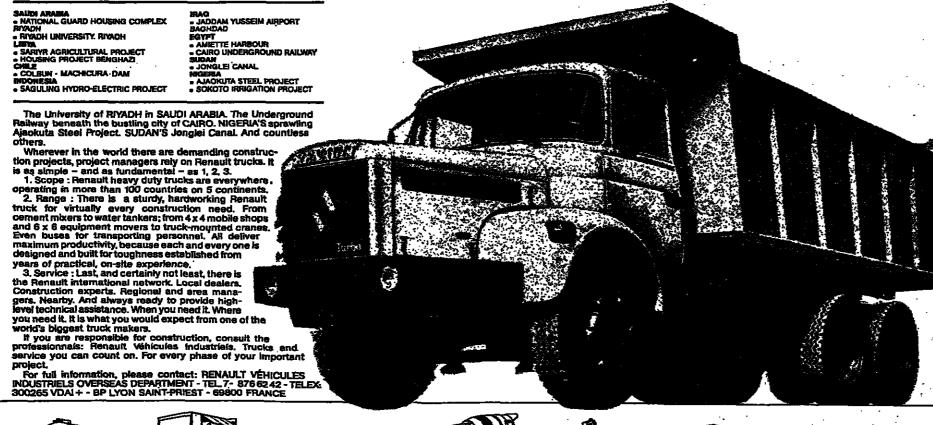
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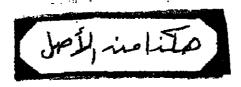
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a key segment of the national as it extends its recovery from the post-1979 recession, has opened the year strongly, with every prospect of improving on the record performance achieved in 1983.

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The keynote continues to be the atrong expansion in house building, which turned tharply higher last year as mortgage rates fell. The latest figures for housing starts show that the January total was the highest since the construction boom of

There is a cloud on the horizon in the form of renewed fears that interest rates may be about to rise once again, but these doubts have yet to penetrate to the construction

The rebound in homebuilding played a dominant role in last year's recovery in the construction markets, which had been severely restrained by the high interest rates prevailing between 1980 and the first half

Last year's peak in new construction starts of \$192.8bn was 23 per cent up on 1982. The bulk of the gain came from

By contrast, non-residential over the prospects for the credit huilding starts—offices and the policies of the Federal Reserve like—rose by only 4 per cent to \$61.9bn, while non-building construction starts, representing the much-needed extension and the much-needed extension and rebuilding of the battered roads and bridges of the major cities, put on only i per cent over the year to total \$37.7m.

The progress of the industry—both residential and non-residential—has been difficult to activate and the west two

to estimate over the past two months because of the severe cold and winter weather in the central states of the U.S.

Overall activity was down in December, with the total of new construction starts dipping by 7 per cent below the comparable menth

The fall in residential building was modest, only 2 per cent lower than in December 1982. Fears that this might indicate a general slowdown seem to have been put at rest by the sparkling totals announced for

Housing starts leapt by 15 per cent to an annual rate of 1.9m units in January. The substantial gain is central, not only to prospects for the construc-tion industry, but also to those for the US economy in general.

Above all, it raises questions

Aided by boom

regional trends.

Economic developments swung in favour of the northeastern states in 1983, at least as far as the construction insaw a continued boom in the financial services industries which in turn stimulated rebuilding and renovation of busi-

policies of the Federal Reserve

Board and thus for the outlook

for interest rates which are

crucial for the housing industry.

The recovery in non-residen-tial building is still open to

conjecture. Contracts for this sector fell by 8 per cent last

month, with a sharp drop in office building "tipping the balance," according to the F. W. Dodge Division of McGraw Hill Information Systems which tracks the industry. The downturn reflects both national and regional tracks

The New York financial district of Downtown Manhattan was expensively refurbished, encouraged by boom trading conditions for the stock markets and international banking sec-

The Midwest, by contrast, has suffered severely as the farming and heavy construction indus-tries laid off staff and cut back on capital expenditure.

Contract value in the Mid-

west showed a 10 per cent gain last year, but this must be measured against the 32 per cent gain for the north-eastern states and the 23 per cent jump

public spending associated with the region a combination of the Reagan Administration has austerity measures, cuts in detended to focus on welfare velopment programmes, reduced spending rather than on investment in city infrastructures. currency and stiff import con-

New York, having success fully restored itself to financial probity, has joined the ranks of major cities raising funds in the capital markets for extensive rebuilding of its decaying roads and bridges.

This concern for state infrastructures was reflected in a 24 per cent increase last year in spending on highways and bridges. The total benefited significantly, although as yet unquantifiably, from the five cents per gallon fuel tax levied for the purpose since April

In addition, some \$5bn of Federal highway disbursements to the states was held back when Congress adjourned, but will be brought forward this year. This holdback is blamed for much of downturn in December in Not even the most naive ob-

servers expects such direct Federal input to the expenditures of the states to be delayed in presidential election year, so—no matter what the Federal Reserve may think of the Federal budget deficit, highway spending seems likely to improve this year.

The fortunes of the construc-tion industry in the current year will, in fact, mirror the fortunes of the U.S. economy even more closely than usual.

ingly.

The main hope for foreign suppliers of construction materials, equipment and services has been projects coming under this terminal and services has been projects coming under this terminal and services has been projects. under bilateral aid programmes

America in the past year has inevitably meant a substantial decline in both public and pri-

vate sector construction activity with little prospect in

the short- to medium-term of a ecovery. In virtually every country of

trols have ensured that both

domestic industries and foreign

construction companies and

suppliers have suffered accord-

sector last year produced its worst performance for 20 years and prospects for the next couple of years remain very

or involving multilateral lend-

All the sectorial indicators make gloomy reading. Last year 75 per cent of the businesses in at least 40 per cent idle capacity and for 58 per cent of the companies the level of idle capacity was at least 50 per cent. Cement production for this sector fell 19 per cent from its 1982 level.

Civil construction groups do not expect demand to pick up before 1985 at the earliest because of the enormous backlog of completed residences which must first be sold.

The Brazilian heavy construction sector's performance has been even more disappointing. As this sector is heavily dependent on public works it was badly hit by the 15 per cent cut in real terms in investments by state-owned com-panies last year.

Recession hits

state schemes Part of the reason for the main factors affecting the in-severity of the crisis last year dustry are the levels of private was the completion of several and Tucurui hydro schemes and the Tubarao steel mills, without a corresponding start being

made on new projects. With prospects so grim, the only way for construction companies to survive is through an increase in exports especi-ally to other developing countries.

Mexican decline industry has gone from boom to bust in just 16 months. The

fortunes which began in the middle of 1982 went into over-drive following Mexico's financial collapse later that year.

Banamex notes that the construction materials industry is because cial collapse later that year.

The new administration of President Miguel de la Madrid, who assumed office in Decem-struction itself. This is because ber 1982, was forced to make drastic cuts in public spending as petroleum revenues plum-meted.

public construction activity in 1983 for instance predict reing by would-be home owners, venues to be worth only 27 per small businessmen and peasant cent of those in 1981, represent-ing the lowest level of activity Venezuela's construction ining the lowest level of activity for 11 years.

A recent report by the econ-

omic studies department at Banco Nacional de Mexico (Banamex) estimates that con-struction activity will show slight growth this year but that recovery to the levels estab-lished in 1981 is most unlikely till after 1985. Banamex points out that the

dustry are the levels of private and public sector investment.
"Taken together these will show only slight growth in 1984," it states. In real terms the for-mer is likely to grow by 3 per cent while the latter could show negative growth due to plenty of unused installed capacity in

most companies. Judging by government commitments most of the growth is likely to come from infrastruc-tural projects such as road and Mexican decline
In Mexico, the construction housing and projects for generating electricity. There might also be some increased activity sharp decline in the industry's in state enterprises that under-fortunes which began in the spent their 1983 budget. State in state enterprises that under

there are plans to boost exports trastic cuts in public spending (cement manufacturers claim as petroleum revenues plumthey will double their overseas sales this year) and industry preliminary estimates for analysts expect a big growth in the trend to do-it-yourself build-

> dustry has been in trouble for the past five years and suffered another bad year in 1983. The outlook for 1984 remains uncertain.

Figures released recently by Venezuelan Construction Chamber, a private sector group, showed that the industry's gross domestic product fell last year by 9 per cent against

a 4.5 per cent fall in the economy's overall gdp. In constant Bolivars, the value of construction work last year was Bolivars 3.9bn, off 9 per cent

from the previous year. Private sector housing starts for 1983 (public sector not yet available) were 11,000, down from 35,000 in 1982 and 30,000 in 19 in 1981. The national housing deficit is estimated at about 800,000 to 1m units. Meanwhile, unemployment, estimated to be

15 per cent nationwide stands

at just under 50 per cent in

construction industry. according to union estimates.

One of the few rays of light on the Latin American construction horizon is Colombia. Construction was one of the country's growth sectors last year with the industry's share of gross national product growing by 3.1 per cent from the pre-vious year accounting for \$1.724bn of the total \$17.716bn. In proportion to its resources Colombia has the largest investment programme in Latin America and, unlike many of its America and, unlike many of its neighbours, will be able to sustain this programme in the coming years. During the free spending and free borrowing 70s Colombia adopted a conservative approach to its economic policies always keeping growth within manageable

Colombia's heaviest construction spending is in electrical infrastructure and 18 out of 76 projects planned under the country's 1983-86 Development Plan are in this sector.

The second largest area of expense is related to the \$3.2bn El Cerrejon coal project. Some 50 per cent of that sum is being dedicated to the building of port, railroad, mining and housing facilities.

Philip Marvin Latin American Markets

World markets brighten

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ANADOLU

IN SHARP CONTRAST with to 1983," Their domestic workload is

picking up, and they are also cheerful about their overseas

The message from Bechtel resident Mr Alden P. Yates, is that the company has not experienced any downturn in seas market. These are worth its Middle East business and a total of \$880n, compared to remains optimistic. Fluor Corporation president, David S. last five years, worth a total of Tappen was also confident.

quarter of fiscal 1984 compared fuzzy on that point."

the experience of European Fluor won contracts worth companies, American companies more than \$15n in the first seem to be faring better in world markets.

Fluor won contracts worth more than \$15n in the first quarter of fiscal 1984, compared to \$1.25n for the whole of fiscal 1983, and though the company does not disclose how much of this upturn is based on domestic as compared to non domestic work, it says that it is today "tracking 18 megapro-jects in the Middle East," the company's most important over-seas market. These are worth a total of \$38bn, compared to only 20 megaprojects during the

\$37bn. "We have seen our workload
increase in three consecutive ever, is sounded by Braun's quarters, signalling a progressive recovery from the prolonged industry wide recession," business," he said, "but our bookings will lag the recovery.

The comment's entering is how long will he said. The man-hours cookings will lag the recovery, booked by the company's engineering; and construction it be before we get a real updivision increased by more turn in the economy. My crysthan 140 per cent in the first tal ball, like everyone else's, is

Large-scale projects are scarce WHILE the Middle East and impact in Francophone coun-

South-East Asia continue to see high levels of construction activity, Africa (particularly Black Africa) has to struggle to maintain existing levels of work. The global recession is precigrowth in relation to the rest of the world and also in absolute terms. Export earnings are down and foreign indebtedness is high—in most instances above levels that can be considered without reconstruct.

be serviced without recourse to debt rescheduling. Increased borrowing from commercial banks is unlikely carry donor government sup-even concessionary finance port. from agencies such as the One example is the \$40m con-World Bank and affiliates, the tract placed with Sweden's World Bank and affiliates, the tract placed with Sweden's European Development Fund, skansa and Canada's Foundations Theorem Theorem 1988 and Canada's Foundations Theorem 1988 and Canada's Foundations Theorem 1988 and Canada's Foundations Company for the Kiambere tions. They are now by far the most important sources of feature and wal fall in 1984, as they have done for the past three years.

According to Construction
Data Research Services, Africa
(including North Africa)
accounts for about 7 per cent f world construction activity. The biggest construction markets in sub-Sahara Africa are South Africa, Nigeria, the Ivory Coast, Kenya, and the Cameroon. South Africa's stag-naut economy now shows signs of reviving after three years in the doldrums.

Housing starts are climbing and a fuel levy will finance new toll roads. Energy-related schemes like South Africa's first and a liter levy will make oringe in Zaire, is looking as new tail roads. Energy-related several other hig projects. Schemes like South Africa's first Taisei, one of Japan's two muclear power station at Koeleading civil engineering conterg, north of Cape Town, will tractors, established a joint venture. be given priority.

The overall picture in Black

Africa is characterised by the absence of large-scale prestige projects and a concentration on the road-building, hydro-electricity, water, irrigation, and offshore sectors. The need to reduce imports will en-courage more industrial build-

European contractors had 58 per cent of the African construc-tion projects in 1982. Hitherto, British, French, German and Italian companies had almost free rein in a market influenced by ex-colonial links. Today, the continent is wide open.

The traditionally British mar-

kets in Nigeria and East Africa are being challenged by French companies from their bases in French West Africa. Some 33 per cent of French African con-tracts in 1982, valued at about £1.5bn, came from Englishspeaking countries. British companies increased their share of work in Africa in 1983 to about £800mm (30 per cent of their total oversess orders) but have yet to make the same

British consultants have done better in water supply and road building work. French successes may well be due to their specialised in house design work for turnkey projects, thus by-passing the traditional role of More contractors see this

approach as a way of cutting costs and becoming more com-petitive, and the competitive edge may well go to companies wilking to enter into multinational joint ventures which

hydro-electric project in Kenya. The consortium also includes for the later stages—German and Yugoslav companies. Parts of the contract will be financed by the Swedish and Canadian

Closer look

Inevitably, the Japanese are taking a closer look at Africa.

Japan still classifies itself as a

"developing country" for construction exports. Japanese
firms are working on a £198m
power station in Nigeria, while Ishikawajimi-Harima Industries (IHI), main contractor for the important Matadi suspension bridge in Zaire, is looking at

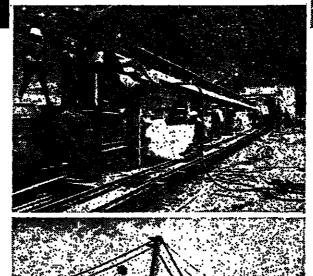
ture in Nigeria in 1979 and is the first Japanese concern to invest in Africa. It now has three contracts there.

With the fall-off in Middle East contracts. South Korea's formidable Hyundai Group, with its turnkey skills in desalination and petrochemical work, is also considering further work in Africa. The high skill of Italian contracting in Africa is led by such companies as Impresilo, Cogefar and Impresit. The last two recently received letters of intent to build roads in the Cameroon

British experience in water works projects has helped British firms to win some useful contracts. Costain. (Wes Africa) is now working on a £100m water supply scheme in Nigeria's Oyo State, while Biwater Shellabear Group are well into a £141m turnkey project to provide water for 500,000 people in 16 communities.

Alan Peterson





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Above: **Hong Kong.** Tunnel construction for the Hong Kong Mass Transit Railway Corporation.

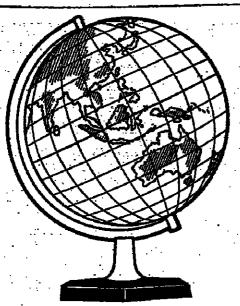
Above: Papua New Guinea. Construction of the pensiock tunnel for the Warangoi Hydro-electric Scheme.

Left: Trinidad. Overseas container terminal Port of Spain. For further details of Kier International's construction capability, please contact

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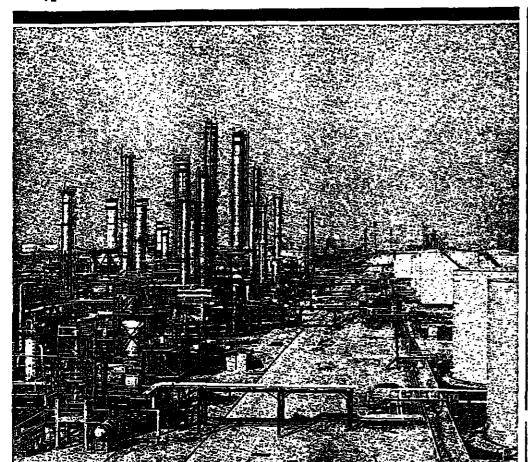
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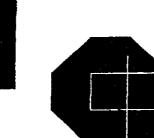
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advances taking place in office, hotel,

to cater for the rapid technological

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EUROPE

ALTHOUGH THE aims of the

European Community include the creation of a "common market" for all sectors of inmarket." for all sectors of in-dustry, the special nature of construction does not lend itself easily to this, according to Mr Derek Ganlter, director general of the Federation of Civil Engineering Con-tractors. There are two substantive reasons for this. Each of the

member states has a construc tion industry and construc-tion professionals which are long-established, competent and highly competitive. In addition, each country has different contractual prac-tices, construction codes and building rules and regulations —and even simple language The constraints, naturally,

work both ways: one does not see many French or German contractors on UK sites either. This is perhaps the reason why the present situa-tion is accepted rather stoically by the contractors themselves. Attempts to change it and concern about it being expressed more by the European Commission "victims" of the failure to pool construction resources Europe-wide.

Viscount Davignon is un Viscount Davignon is an-happy that the Community-wide advertising of contracts through the Official Journal, which was intended to open the barrier, has falled to make any inreads into the staunchly nationalistic nature of awarding contracts. The mater requires that all consystem requires that all con-tracts worth more than a million European currency units (Ecus) which is about £650,000, be so advertised. Mr Gaulter maintains that

the UK has a good track record in complying with this requirement, but his federt-tion would like to see the limit raised substantially. He also feels that some

bers states avoid advertising by breaking down single projects into separate contracts, so that each ends up being worth less than the qualifying minimum.

Another measure intended to remove barriers is the pro-motion of Euro-codes on construction practice. Progress on these, some of which cover reinforced concrete struc-tures, steel structures, and earthquake protection, has been described by Mr Gaulter as "painfully slow," and there is grave doubt whether they will ever emerge from the draft stage.

Irish joint venture, has been involved in the £630m alumina extraction plant in the Shannon estuary under a contract worth £70m for echanical plant. Laing SA are building a

251m borstal for 456 young offenders in Spain. Costain Civil Engineering have won a £3m contract to design and construct an oil jetty in

is not fertile ground. Again, there are the exceptions, among them GCB international Design Group which has recently completed the renovation and returbishment of Don Carlos Hotel in Marbella and a feasibility sindy for a large scale tourist development in Lanzarote which it did in conjunction with Ove Arup.

The scene is very different for abstract surveyed but

for chartered surveyors, but their European activities are much more in the property rather than the construction phere. Their advice on sphere. Their advice on rating, letting, lease negotiating and project management is highly valued in Belgium, Laxembourg, the Netherlands, France and Germany. When the Standard Chartered Bank acquired and altered the former Canadian Embassy building in Paris, no ferrer than three firms of III.

fewer than three firms of UK chartered surveyors were in-volved: one acted for the vendors, one for the buyers, and the third were quantity surveyors and project managers for the alterations.

The sale of the headquart-ers of Germany's largest ship-

but at a slower rate.

In 1983, the output of the construction industries of Denmark, Italy, France, Germany, the Netherlands, Belgium and Great Britain was done 12 year cent on the pro-

European Construction Federation (FIEC) forecasts a "consolidation of construc-"consolidation of construc-tion activity at the 1983 level." Slight improvements may take place again in Britain and Germany, and possibly in Belgium and the Netherlands as well—but construction activity else-where in Europe will con-tinue to full

tinue to fall.

Housebuiding, which kept
the industry out of the damps
in Britain, Germany and

Mira Bar-Hillel

SOUTH EAST ASIA

Moving into high gear

AMONG Asian Nations (ASEAN) seems to have been in the best position to ride out the difficult economic environient.
Many countries in the region.

were worried 12 months ago when they saw their growth rates fall from the 10 per cent of the heady 1970s to about 5 or 6 per cent. But everything is relative: the industrialised world was stagnating at about per cent growth at the time.

The affected economic problems construction, as in any other part of the world. but the base level of activity remained fairly high and the turn of this year has shown good trends for the industry in 1984 and beyond.

nised as one of the safest markets for construction in-dustry, and one of great hope for the future.

The World Bank poured nearly US\$2,400m into ASEAN

projects in the past financial year (up to June 1983), about half of which went to cover 12 projects in Indonesia. The next largest ASEAN borrower was the Philippines, then Thailand and finally Malaysia. About the same time approximately US\$1bn has been agreed in soft loans from Japan, and many other countries have bilateral agreements.

The Asian Bank (ADB) put nearly US\$900m into the same four countries in 1982. ADB funds went towards development projects totalling US\$2bn in Indonesia, US\$2,761m in the Philippines, US\$1.48bn in Thailand, and US\$150m in Malaysia.

The bank estimates that 70 per cent of these funds end up in the construction industry's

coffers.
Looking first at Singapore, most people's gateway to the region, the construction in-dustry has shown a remarkable, but locally not unusual, growth rate of 31 per cent in the first half of 1983,

Similar figures were achieved the year before. As well as a very active private sector, Singapore's government has an ex-tensive programme of construc-

tion work.

Plans to build a further 100,000 units of public housing by 1985 have been speeded up; and civil work has begun on the US\$2.25bn mass rapid transport with the Issues and project, with the Japanese and French taking a good share.

Private sector work, covered by \$\$3bn worth of building plans approved last year, includes large projects of prestigious hotels, offices and shopping centres.

Across the causeway in

ping centres.

Across the causeway in Malaysia, the situation was bleak for a year or so until 1983 saw the commodity price slide reversed. A trade surplus is forecast for 1984, for the first time in a few years, of M\$2.5bn and the construction industry is expected to achieve a \$2 per cent growth. 9.2 per cent growth.
Private construction activity

increased to a high level last year, particularly around Kuala Lumpur, because of improved commercial lending. The main impeuts is non-resi-

dential work, particularly hotels as they received investment incentives in 1982. The upswing is expected to continue through

Barriers remain ance company, was also handled by British profes-

Europe's co dustries are hopeful of a further slackening of the re-cession in 1984, if not its end. cession in 1984, if not its end. Industrial output in the EEC, which was down in the last six months of 1982, rose— albeit slowly—in 1983 and the inflation rates were falling. Unemployment is still rising.

done 1.3 per cent on the pre-vious year—a depressing statistic, but not as gloomy as the —4.6 per cent and -3.6 per cent recorded in the previous two years. For 1984, the International

Belgium in 1983, is expected to rise in Belgium, fall in Britain and stabilise in Germany. For non-residential buildings, the -3.9 per cent slump recorded in 1983 is expected to stop. For public-works, the 4.2 per cent re-duction in 1983 will slow to only -1.1 per cent, Federation predicts.

a hig spender again this year with construction of two deep sea ports at Songkhla and Phuket, Thailand's first cable stayed bridge, a multi-kilometre bridge across Songkhia Lake, a petrochemical complex and two major ports on the Eastern Sea-board industrial area.

months or so as it depends largely on its oil for foreign exchange earnings.
Work in progress includes
port construction, downstream

Indonesia has had a rough 18

industrial development, a new US\$317m power project, irriga-tion work, road projects and rural Finally, the tiny of sultanate of Brunei, with the highest per

capita income in the world, expected to next year. But nothing could compare in scale or grandeur to the new palace/government centre being completed there this year—at an undisclosed

Nicola Carr

Foreign contractors still in demand

pleted there is a secondary con-struction boom.

striction boom.

There is certainly something in what ArabBuild's promoters say. Oil glut or not, it was inevitable that there would be an eventual slowdown in business after the years of new found oil yearlish.

The downturn in oil revenues has concentrated the minds of the region's planners and en-couraged an increasingly tough-minded attitude towards construction projects and the role of foreign companies.

A major development in the construction market is the grow-

construction market is the growing importance of Arab contractors and consultants. In a book entitled The Arab Construction Industry published this year by Croom Helm, a leading Arab technology and manpower consultant Dr. Antoine Zahlan argues for in-creased local participation in the building industry to improve the transfer of Western exper-

puts accounted for only 25 per cent of the total inputs to the \$600bn worth of construction projects carried out in the Arab world in the past two decades. Guilt governments have been particularly keen to bolster local companies and have introduced tegislation that makes it more and more desirable for foreign companies to enter into joint ventures with indigenous

He calculates that Iocal in-

Figures on new contract awards since the extraordinary boom years of 1980 and 1981 reflect the impact of lower oil revenues and the Gulf war. From a level of \$74bn in 1931 the value of new contracts in the Middle East plummeted to \$44.6bn in 1982 according to Middle East Contracts: Direc-

tory and Analysis (MECDA).

In the first half of 1989 the

ACCORDING TO the organisers total value of new contracts of the Arabbuild exhibition and reported in the Middle East conference to be held in Bahrain in November, the slowdown in the Arab construction market has been "much exaggerated," Saudi Arabia once again led and is due primarily to the "completion of infrastructure projects in some of the major cities such as Jeddah and Dubal."

It points out that completely new cities continue to be built, and that in some of the region's older markets where most of the infrastructure has been completed there is a secondary contracts.

Contractors in Ireq and Libya Contractors in Iraq and Libya

experienced severe payments problems in 1983, and many have been forced to accept deferred payment deals, and oil barter arrangements. Payment delays caused headaches for other states, notably the United

Arab Emirates.
The mechanics of construc tion financing has become of ever pressing concern to the region's contractors and bankers alike, and in January the Arab Bankers' Association and Bovis International held a three-day seminar in Abu Dhabi on bonds, guarantees and other aspects of the banker-contractor relation-

Rewarding For all its recent problems, the Middle East market will continue to be rewarding for the foreign contractor and consultant There are tantalis

ing prospects in sight when the Gulf was is over. In remarkably confident mood Libys last November signed what is said to be the largest ever contract in the Middle East Worth \$3.3bn, the contract awarded to Dong Ah Construction Industrial Company of South Korea is for a man-made river" to carry

city.

The Gulf states will continue

The Guif states will continue to provide a steady stream of major projects.

Algeria is an increasingly interesting part of the market with rapid and sustained growth. It has made a point of linking contract awards with gas sales and this has worked very much to the benefit of the French and the Italians. French and the Italians.

Susannah Tarbush Business Editor, The Middle East

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